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The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, JUNE 16, 1933

"Father, it's time you
took life easy"

said George Ackerman

AND THE
EQUITABLE CASE
METHOD SHOWED
THE ONE PLAN
EXACTLY FITTED
TO THE NEEDS OF
THIS FAMILY

"You're 65. We three children are grown and self-supporting. We don't need your money. Why don't you invest it so you can get the largest guaranteed income from it for the rest of your life?"

The other members of the family agreeing, somebody thought of Equitable service as a way, and it was decided to get this company's suggestions.

Our representative studied the case, analyzing it in accordance with the Equitable Case Method. He learned that the exact amount available was \$15,000. Out of many possible forms of policy, taking into account all the conditions, he recommended an Equitable Life Annuity.

This guaranteed to Mr. Ackerman an annual income of \$1620.15 for life. It meant a peaceful and secure old age for him, one in which he could afford some of the modest luxuries. (Contrast this sure income of \$1620 with the return of only \$750 if the capital had been placed in 5% securities.)

That is how the Equitable Case Method found the right answer to the Ackerman problem.

**The Equitable Case Method
gives you a made-to-your-measure
life insurance program**

There are many people today, men and women, in Mr. Ackerman's position, for whom an annuity would be suitable. On the other hand there are many more, such as younger men raising families, for whom other forms of Equitable policies would be more appropriate. But in any case the individual's needs are studied and a plan is recommended to fit.

This is what is meant by the Case Method, the professional system in which Equitable representatives are trained. It is based on a study of many factors—your age, vocation, income, investments, your wife's age, the number and ages of your children, etc.



THE EQUITABLE
FAIR - JUST
LIFE ASSURANCE
SECURITY - PEACE OF MIND
SOCIETY
MUTUAL - COOPERATIVE
OF THE U.S.
NATION-WIDE SERVICE

Advertising the EQUITABLE CASE ← METHOD

For several years the "Case Method" has been used in the educational training courses of The Equitable. By means of it, Equitable Agents have been taught to analyze a man's need for life insurance, and to fit the policies to his specific requirements.

The EQUITABLE "CASE METHOD" of life insurance planning is now being brought before the public in a series of advertisements in national magazines and weeklies. It is hoped thereby to acquaint the public with the value of a careful study of the individual's needs before a particular type of policy is recommended. The advertising is also designed to call attention to the fact that Equitable Agents are especially trained to render such a service.

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE UNITED STATES

Thomas I. Parkinson, President

393 Seventh Ave., New York, N. Y.

Facts and Figures

for the

First Four Months of 1933

◆
Ledger assets of the New York Life Insurance Company increased by \$19,484,121 during the first four months of 1933. Total income amounted to \$125,683,055 while disbursements aggregated \$106,198,934, including \$85,197,113 paid to policyholders.

New investments of \$15,678,073 were made during the four months' period.

Cash on hand and in banks on April 30 amounted to \$34,178,905, an increase of \$6,925,927 over the amount as of December 31, 1932.

Dividends paid to policyholders since the Company was founded in 1845 passed the billion dollar mark.

The New York Life agent is backed by a long-established mutual company combining conservative financial methods with aggressive sales assistance to the men in the field.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.



Dramatized
presentations and comprehensive prospecting plans, which capitalize the foundation laid by national advertising, are tools which have made "Merchandised Selling" so effective in these abnormal times.

★
The
UNION CENTRAL LIFE INSURANCE
Company
CINCINNATI, OHIO

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 24

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 16, 1933

\$3.00 Per Year, 15 Cents a Copy

Federal Specter Seen on Horizon

Establishment of Federal Industries Board May Pave the Way

INSURANCE ON LOOKOUT

General Johnson May Desire to Have Adviser and Thus Force Supervision Somewhat

NEW YORK, June 15.—Regardless of the strong hold that state supervision of insurance has on the people and the insurance business itself, there are signs in the skies which point to some form of federal control in one way or another. Until the famous United States Supreme Court decision in Paul vs. Virginia is reversed or some action taken to bring insurance under direct federal supervision, the states will retain sovereignty and it may be many years, if ever, before the states will agree to a centralized plan of insurance supervision.

Dips Into Private Activities

However, the federal government is dipping into private business more and more and is assuming jurisdiction over many activities. The Treasury Department, for instance, has an insurance officer who looks after contract surety bonds and passes on surety companies. He has the authority to select the companies that he finds are in a sufficiently sound condition to execute contract bonds running to the United States. Therefore in a way he exercises a certain amount of supervision. Companies have to qualify to write these bonds with the Treasury Department.

The most ominous sign, however, is the possible action of the new industries board under General Hugh S. Johnson, which will have a large amount of control over industries and which is going farther than people ever contemplated a few years ago in regulation of business. If, therefore, there is to be something of a dictator over industries it is predicted that this board will have an insurance advisor.

Industries Board May Have Adviser

If the federal government is to be responsible in a way for the guidance of these various industries, it will probably desire to know what insurance carriers are handling the insurance and what their financial condition is. This may open the way for a certain amount of insurance control. The states are jealous of their rights in this respect. Many feel that ineffective though it has been in many respects, state supervision has improved and will probably become more capable now that the searchlight has been turned on it. Political considerations have dominated state supervision along many lines. There has

(CONTINUED ON LAST PAGE)

Rating Concerns Now Active in the Chicago Territory

SEEK TO ATTRACT CLIENTS

Conditions of the Times Open the Way for All Sorts of Advice on Insurance

Chicago now has a plethora of rating, advisory, statistical and analytical concerns giving information as to life insurance and companies. Some are conducted on a strictly business basis, others are charged with endeavoring to secure names as prospects for life insurance and still others are alleged to be taking advantage of the solicitude in the public mind as to standing of companies and are "horning in" for strictly mercenary motives.

Insurance Men Apprehensive

Insurance salesmen are apprehensive as to the effect of this activity. There has been an attempt to use the radio. A year or so ago a pretentious organization denominated the "National Policyholders League" did considerable broadcasting at Chicago offering to give insurance advice. No one could unveil the supposed president of this association, whose broadcasting messages were read by someone else. There seemed to be considerable venom and animosity back of this organization. Naturally it petered out. Some of the so-called counsel giving and rating concerns are said to be figuring on using the radio, offering to give reports at so much per piece of advice. The conditions of the times naturally open the way for information-giving facilities. Never before have so many people sought information regarding insurance companies. They are endeavoring to get at facts and the truth. THE NATIONAL UNDERWRITER offices, for example, are besieged with callers, telephone inquiries and letters concerning this company and that. No company escapes scrutiny.

Best Reports Cause Commotion

The Best Reports this year have caused much commotion because many companies are placed in the lower brackets that have not been there before. This is being used in competition against these companies. Where a company is rated below "C", no specific symbol is attached, the quotation being, "Our general policyholders' rating of this company is omitted." Strenuous efforts were made to have Best's Reports omit any ratings whatever this year, simply giving the facts and let readers judge for themselves. This, however, was not done.

Divers Concerns Spring Up

Darby A. Day, a former national life insurance figure, started the Policyholders Protective Association in Chicago with T. J. Houston, a former Illinois insurance superintendent, and now an independent fire insurance adjuster, as president. The "Insurance Index," with Publisher J. E. Dunne at the head, now ensconced in Chicago, started in the rating game. Robert N. Howell, who gained prominence at the University of Chicago, on its baseball team during his

(CONTINUED ON PAGE 11)

Propose Consolidation of Two St. Louis Companies

TO HOLD HEARING JUNE 26

Missouri Superintendent Asked to Approve Merger of Central States Life and American National

ST. LOUIS, June 15.—A petition seeking the consolidation of the Central States Life and the American National Life, both of St. Louis, into a new company to be formed to take over the assets of both has been presented to Superintendent Thompson of Missouri. Mr. Thompson has called a hearing on the application at Jefferson City June 26 before a special commission composed of the commissioners of Missouri, Arkansas and Oklahoma.

The directors of both companies have approved the proposed merger and the proposition will be submitted to stockholders within the next ten days.

The new company would be known as the Central States Life. It would carry the same capitalization as the present Central States Life, \$400,000, to consist of 80,000 shares of \$5 par value.

The American National is capitalized at \$200,000 and the stockholders of that company would receive \$50,000 of the stock of the new company.

It is understood that Henry W. Buttolph, who is president of the Central States Life, will also be president of the consolidated company while Frank X. Jones, president of the American National, is slated to be treasurer.

The new company would take over all of the assets and assume the obligations of both companies. The present home office building of the Central States Life at 3663 Lindell boulevard will be used by the enlarged company. The home office of the American National is at 3719 Washington boulevard, two blocks north of the Central States Life building.

The Central States Life was organized in 1909. At the close of 1932 it had \$18,349,229 assets and \$103,845,272 insurance in force. In 1932 its paid-for new business was \$9,283,693. In 1930 it reinsured the business of the Home Life of Little Rock and prior to that reinsured several small western companies.

The American National was incorporated in 1912. It now has approximately \$13,000,000 insurance in force and about \$3,500,000 assets.

Nebraska Shuts Off All Convention Allowances

State Auditor Price of Nebraska has ruled that he will not issue warrants on the maintenance fund of any other state officer for expenses incurred in attending meetings of national associations to which state officials belong or may join except where the legislature has appropriated funds for that purpose. This will apply to the state insurance director in the future.

Watch Motivation of Applicants Now

Trend Away from Ultra-Technical Selection Noted in Medical Men's Meeting

UNDERWRITER IMPORTANT

Increased Percentage of Old Business Due to Lapsing of Many Newer Policies Is Problem

The process of medical selection among American companies shows a trend definitely away from the technical side and toward motivation. This was one of the significant highlights of the meeting of the Medical Section of the American Life Convention in Chicago. It is of importance that upwards of one-third of the attendance was of non-medical company men, which is seen as a fine tendency. The bars are being taken down and the function of medical selection thus comes closer to the other functions in issuing life insurance. In this connection, it is also noted that attendance was the largest in the section's history.

Of recent years medical selection became increasingly more technical. There was great talk of electrocardiograms and other phases of scientific technique of disclosing medically sound applicants. The medical examiners are finding that it is equally important today to find out why an applicant is interested in taking insurance. It may be that he has inklings of a subtle medical impairment, but it also may be financial or moral impairment.

Consider Process as a Whole

There seemed to be in the Chicago meeting a general feeling that perhaps there has been too much refinement in underwriting instead of considering the process of selection as a whole. It is impossible to disassociate the various factors in selection. A person with medical impairment often begins to exhibit moral lapses under rigid inspection and investigation. It was suggested informally at the meeting that it would be a fine idea for the medical directors and home office underwriters to have a joint meeting, a proposal that will be considered seriously in the ensuing year.

There was another important angle at the meeting. It is obvious that the underwriter is assuming greater importance in life insurance. Three or four years ago every one in the business favored the production end. Volume meant almost everything. There was great competition between companies and agents, and it was said by one of the leading medical men it almost appeared that in many companies there was even competition between underwriters.

This did not play so important a part in the business when old policyholders were being constantly diluted by new

(CONTINUED ON PAGE 11)

Revised Mortgage Plan Satisfactory

Life Companies Handle Business Better Than Guarantee Concerns Did

LACK OF COOPERATION

Aim for Volume and Careless Keeping of Records Responsible for Former Troubles

NEW YORK, June 15.—Evidence that has come to light since life companies began taking over mortgages previously "guaranteed" by mortgage guarantee companies indicates that both mortgagor and mortgagee will be better off under the new arrangement.

It appears that in many cases mortgage companies had been handling properties carelessly, records showing that frequently a company might be unaware as to whether taxes were delinquent or not.

The most glaring fault was a lack of spirit of cooperation with borrowers. There was an unwarranted and useless insistence on the borrower's meeting his full obligation even though he might be obviously unable to do so, rather than trying to work out some way by which the borrower might pay all that he reasonably could be expected to. This attitude naturally had a very demoralizing effect on borrowers and tended to discourage any attitude on their part to meet the mortgage company half way in reaching some sort of compromise. The life companies, on the other hand, have been outstanding in the way in which they have cooperated with honest mortgagors in meeting a situation which rendered impossible the literal performance of the contract.

Reasons for Difficulties

The difficulties of the mortgage companies in handling properties are attributed first, to the fact that for some time these guarantors realized they were nearing the end of their rope, and second to the inherent differences between a life company and a mortgage company in the making of investments.

"A life company is not interested in fees or bonuses or commissions," a life insurance loan official pointed out. "If a man comes to a life company wanting a \$100,000 loan, no one is interested in anything about the loan except whether it is a good investment of the company's funds. The mortgage company, on the other hand, is in business primarily for volume. It is interested in making as many loans as it can reasonably hope to sell to buyers of guaranteed mortgages."

Borderline Cases Tempting

"This means that the mortgage company is under a lot more temptation to take what an underwriter would call a borderline risk. There is a close parallel between granting a loan and passing on a life insurance application. Underwriters know that if you let factors outside of an unbiased opinion enter in, the selection is going to be against you, and the same thing is true in granting a loan on a mortgage. Where the question of profit exists it is very easy for one's judgment to be swayed even though he is trying to render an entirely sound decision."

Life insurance loan men in companies which have taken over their guaranteed mortgages believe they will be able to show a financial profit as a

(CONTINUED ON PAGE 10)

Bureau President



LEE N. PARKER

Lee N. Parker, vice-president and manager of the American Service Bureau, which makes inspections for companies that are members of the American Life Convention, has been elected president. Judge Byron K. Elliott, former president, becomes chairman of the board. Barrett M. Woodsmall, who has been executive assistant, is advanced to vice-president, and M. B. Cederstrom, who has been secretary of the bureau for a number of years, is made vice-president and secretary.

Old-Time Commissioner of Washington Passes On

SEATTLE, June 15.—H. O. Fishback, 74 years of age, beloved former Washington insurance commissioner and former president National Convention of Insurance Commissioners, died at his farm Sunday from complications following a cold. He is survived by Mrs. Fishback and three sons, Thomas, G. F. and H. O., Jr. The last named is assistant vice-president of the Northern Life of this city.

Commissioner Fishback was first elected to office in November, 1912, but was defeated at the election last year. He was the dean of the insurance commissioners at the time he retired from office. He attended the annual meeting in Texas a year ago accompanied by his son, H. O., Jr. At that time he seemed feeble but attended all the sessions. He inspired those with whom he came in contact at the Dallas meeting by his fine philosophy and optimism.

Was Formerly in the Senate

Commissioner Fishback suffered a heart attack Saturday night. His farm was near Adna, in southwestern Washington.

Mr. Fishback's public career started in 1908 when he was elected a state senator from Chehalis, Wash. On his 160-acre farm he specialized in the raising of Poland china hogs. Two of his sons, T. L. and G. F., run the farm. In addition to Mrs. Fishback and three sons, there is a daughter, Mrs. J. E. Butler of Waitsburg, Wash. Funeral services were held in Chehalis Tuesday afternoon.

M. G. Lasley

M. G. Lasley, former representative of the Midland Mutual Life in Louisville, has been appointed manager of the Fidelity Mutual Life's Louisville agency. He has been engaged in life insurance selling and management since 1923. He starred in football and baseball at the University of Kentucky.

Moratorium Rules Offer Cash Surrender Solution

Noah only built one ark and this generation will see only one moratorium. There will be plenty of time for consideration of measures to prevent a recurrence of the conditions that made the moratorium necessary.

If company managements are capable of learning it will be many a year before insurance companies, or banks, are again caught in a position of being unable to meet demands according to contracts. On the other hand, if the restoration of 1929 prices means the restoration of the silly ideas of 1929, then the law cannot begin too soon to lay down regulations for the control of company operations.

In due time, investments will be considered calmly and carefully. The faults demonstrated by the great crisis will be weighed. Means to guard against such dangers as the companies have come through will be considered.

Cannot Disown Blame

Before 1929, the great stream of life insurance money overflowed its banks. It should have been confined to channels of safety. There was some excuse for the company financiers who complained that the investment field was not large enough for life insurance funds.

The company financiers, however, cannot thus disown the blame for unsafe investments. They were lured by high interest rates. There are always safe investments at low interest. The struggle for high dividends, which of course competitively affected the non-participating companies, led the companies to purchase bonds which proved insubstantial and led to lending money on excessive valuations of city and country real estate. There was even talk of allowing life companies to invest in common stocks, because the safe investment market was too narrow.

The excuse that "everybody was doing it" is the excuse of incompetence. But even though a blanket amnesty is necessary for the insanity of 1929, surely it does not apply to the future, now that the means of learning is before the world.

Put Blame on Cash Values

There is a disposition to blame cash and loan values for the troubles of the companies. That does not excuse the financiers, because they knew that the cash and loan values were in the policies.

It is not likely that the lawmakers will abolish the cash value provision of life insurance in order to take the brakes off the investment errors of the companies. Some of the investment faults are obvious, and were obvious even in good times, except that croakers were out of order. It is reassuring to recall that the first half of the President's inaugural address was devoted to the need for sound banking. It is to be hoped that the idea will carry over into life insurance. Life insurance may not have been as bad as the banks, even the savings banks, but it is true that life insurance entered the competition of excessive valuations of property and bought bonds and mortgages that were not properly secured. They contributed to the ruin, even though they escaped better than the banks.

Burden on Unfortunate

An increase in surrender charges has had a good deal of discussion, but there has been little actual consideration of what it would accomplish. As a matter of fact, an increased surrender charge only adds to the hardships of those forced to surrender. It would not check surrenders. Those who cash in sacrifice enough in giving up their insurance. It requires very little experience to know that those forced to find money

must take what terms they can get. A heavy surrender charge could be justified if it added to the security of the companies, but those who need money would stand the charge and draw out anyhow.

Make Policyholder Elect

One idea that kept recurring during the actuarial sessions in Chicago seems to hold possibilities. Several speakers referred to the possibility of two kinds of values, like the two kinds of bank deposits, savings and commercial. On this idea, a policyholder would have to elect whether to go on a low return basis, with cash available on demand, or whether to go after low cost and accept a deferred loan clause in his policy.

In practice this would work out the same as it does in banking, namely, the high return or savings values would be available on demand in normal times, but the company would have the privilege of requiring notice of withdrawal in times of stress.

Moratorium Clause a Solution

Life companies will not be in a hurry to adopt the savings bank clause. It has not saved the savings banks, which have suffered more, relatively, from the banking troubles than the commercial banks. Yet life insurance may contribute a solution which, combined with the savings bank clause, may prove a real shock absorber for both insurance companies and banks. Life men now are not very proud of the moratorium on values, but their ideas will change. The public is quite well satisfied. The life men are disturbed by the upset of their selling methods. The public, being concerned with the safety of its life insurance funds, has no complaint with the moratorium.

Almost Ideal for Safety

The moratorium rules, hammered out in an emergency and corrected from experience, are almost ideal for safety. It may be startling to life men to think of making them a permanent part of the life contract, but the additional safety that would appeal to the public would very likely overcome what slight sales resistance would be raised up.

What is the object of the safety clause on savings deposits? It is to prevent runs due to panic, and not to excuse the bank from meeting normal needs.

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Rise in Values Relieves Much Company Distress

Some of the insurance commissioners feel it incumbent upon them to try to improve the situation in their states and classify companies. However, their problem may be greatly alleviated by the appreciation in assets due to the upturn in the security market. Some companies that have been skating on thin ice have seen their assets run up beyond \$500,000 during the last few weeks. The Globe & Rutgers Fire, for example, which the New York department held should be liquidated has now received an order to give it more time to rehabilitate itself. This is due largely to the fact that its assets have appreciated to that point where it is swinging out of the morass.

The situation in the security market has been of great advantage to life companies all along the line. Farm values have increased and stocks and bonds have showed a material upturn. Therefore commissioners hesitate to act at present until they can see what results eventually the market will bring.

Agents Important in Underwriting

Coburn Says Field Men Determine Quality of Company's Business

SELECTION DATA GIVEN

North American Reassurance Official Talks at Life Office Management Conference at Fort Wayne

FORT WAYNE, IND., June 15.—In a well conducted life company, 75 percent of the underwriting is done by the agent, declared Arthur Coburn, vice-president North American Reassurance, at the Life Office Management Association's mid-west conference here. The underwriting of an application commences when a company appoints an agent, and the latter determines the quality of the business.

"Reliable agents," said Mr. Coburn, "are a great asset to a life company and I believe that we can go far in accepting the competent findings of such an agent. Without the cooperation of agents, our efforts as underwriters will be of little avail."

Difference in Agents

If an agent has a small percentage of declined or sub-standard business he is apt to be profitable to the company, said Mr. Coburn, while an agent with a higher percentage will be unprofitable unless the management directs its efforts toward raising the quality of the business. Often the agent who writes a poor grade of business is of the contentious type and too often the management fails to give the home office underwriter any support in his suggestions.

The character of the business is the most important factor in determining financial results, said Mr. Coburn. In 756 cases in which the moral hazard was the only impairment, the mortality ratio was 193 percent.

Companies should use a table showing the limit of insurance a man should carry in relation to his annual income, so that excesses can be checked. Mr. Coburn's company uses the following:

Age	Times Income	Age	Times Income
20.....	10	45.....	6
25.....	9	50.....	5
30.....	8	55.....	4
35.....	8	60.....	3
40.....	7	65.....	2

A study of a large number of applications shows that the average applicant brings his insurance up to two and a half times his annual income. If it is not more than this the applicant is not likely to be selecting against the company and the ordinary standard of selection is sufficient. If the applicant buys insurance in excess of the reasonable limits the financial result to the company is bad. Not all such applicants are selecting against the companies, but a sufficient proportion are doing so as to render the ultimate results unprofitable. A study of death claims from an excess coverage group shows that suicide was the cause of death of one-third and another one-third had concealed impairments.

Double Indemnity Neglected

Because underwriting results on double indemnity have been satisfactory as a whole, the possibility of applicants speculating in it has not received the attention it deserves, said Mr. Coburn. "If the total insurance and double indemnity already in force is equal to the reasonable limit of insurance," said

Ranking Member



DR. S. J. STREIGHT, Toronto

Dr. S. J. Streight of Toronto, medical director of the Canada Life, who served as program chairman for the annual meeting of the Medical Section of the American Life Convention this year, is now the ranking member of the board of governors. Unless all signs go wrong, he will be elected to the vice-chairmanship a year hence.

Mr. Coburn, "we do not grant additional insurance for double indemnity."

Corporations, said Mr. Coburn, are cold blooded in buying insurance on the lives of officers, and caution is warranted in dealing with all cases. In

(CONTINUED ON PAGE 10)

May's Production Shows Return to Better Record

May production of new life insurance exceeded that of any previous month this year, according to figures of the Life Presidents Association, while the month's figure of \$645,000,000 was 15 percent lower than the \$759,000,000 total of May 1932. This is the smallest relative decline of any month this year, comparing with percentage declines of 35 percent in January down to 24 percent in April.

New ordinary business in May was \$432,732,000 against \$487,284,000, a de-

crease of 11.2 percent; industrial, \$190,138,000 against \$222,956,000, a decline of 14.7 percent; group \$22,450,000 against \$49,113,000, a drop of 54.3 percent. For the first five months total production was \$3,138,668,000 against \$4,245,384,000, a decrease of 26.1 percent; ordinary, \$2,139,701,000 against \$2,789,740,000 a decline of 23.3 percent; industrial, \$898,073,000 against \$1,149,033,000 a decline of 21.8 percent; group, \$100,894,000 against \$306,611,000 a drop of 67.1 percent.

Hipp Is Elected President of the Southeastern Life

W. F. Hipp was elected president Southeastern Life of Greenville, succeeding C. O. Milford, resigned. W. G. Southern, vice-president and actuary also resigned. F. M. Phillippi was elected consulting actuary. Mr. Milford and Mr. Southern will continue as directors. It was agreed to place a majority of the outstanding stock in a voting trust.

New Policy Is Popular

The Equitable Life of New York announces that following its placing its optional retirement policy in the hands of agents April 15, during the rest of that month 179 policies were written totaling \$633,000. In May, 941 policies for \$3,457,000 were issued, making a total for the first six weeks of 1,120 policies with \$4,090,000 insurance. The average amount applied for on this form is materially greater than the average amount of all forms combined.

Pan-American Life to Hold Four Regional Conferences

With fieldmen from Texas, Arkansas and Oklahoma agencies, the first of four summer regional agency conferences scheduled by the Pan-American Life will open in Dallas, June 26 for a two-day session.

Ted M. Simmons, manager of agencies, will preside at the conference, and C. J. Mesman, manager agency analysis bureau and John W. Murphy, public relations manager, will also take part in the program. H. L. Seay, president of the Southland Life, will welcome the conference to Dallas.

An unusual feature has been developed for the Dallas meeting and will be followed in connection with similar conferences to be held in Chattanooga July 6-7, Pittsburgh July 14-15 and Indianapolis July 17-18-19. This feature, designated as "The Big Broadcast," will include "hours" set aside for a number of the agencies in which they will conduct programs of their own making—designed both to develop discussion in the meetings and to contribute to it in the way of information and instruction.

At the Dallas conference Mr. Simmons' principal address will be "Life Insurance Today." Mr. Mesman will talk on "Time Control" and Mr. Murphy on "Prospecting."

The Chattanooga, Pittsburgh and Indianapolis meetings will be handled entirely by Dr. E. G. Simmons, vice-president and general manager of the Pan-American and T. M. Simmons.

Splendid Record of a New Agent

Ernest Sobelle, one of the outstanding producers of the Cleveland agency of the Lincoln National Life, has rolled up a remarkable record during his first nine months with the company. The results are:

Volume written 9 months.....	\$354,133
Hours per day in field.....	8.2
Calls per day.....	8.6
Interviews per day.....	4.1
Ratio of applications to interviews.....	1 to 14
Average application.....	\$ 6,681

Mr. Sobelle has achieved this record by working a definite plan. He knows whether or not his plan is working through following the plan of keeping daily reports. At the end of each week or at the end of each month, Mr. Sobelle is able to analyze his efforts from these reports and pick out any difficulties and weak spots.

Mr. Sobelle is a native of France and a graduate from the University of Paris. In Paris he represented one of the largest banking houses. He has just recently moved to Cleveland, where he began his life insurance career.

At the request of the American Benefit Life of Springfield, Ill., the Illinois department has taken over its affairs for liquidation through the state liquidation officers. The company was referred to the attorney general June 6 for action.

"You Have Been Faithful"

From a Life Presidents' Association address of some years ago, we quote a few sentences of a life insurance eulogy pronounced by Charles Evans Hughes, now the honored Chief Justice of the Supreme Court of the United States:—

"The vast accumulations in your care, and your reports as to your dealings with them, testify to trust protected and service performed, and what higher satisfaction can there be than the consciousness of that?"

"Your enterprise is perhaps the safest of all, for it rests on the widest, as well as the most careful, generalizations of experience. Unless the nation fails there is no reason why you should not succeed."

"You have been faithful, but fidelity is an active virtue which demands its daily sacrifice of any counter interest, its daily response in energetic service."

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

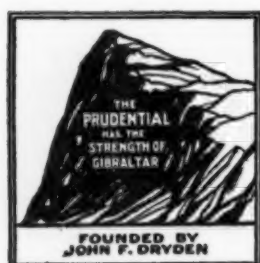
Philadelphia

A Time for Service

Policyholders need sound and beneficial advice concerning their protection and the wise salesman is making sure they get it.

The reward for this concern over those who believe in you may not be immediate, but it is certain to manifest itself some day.

But the chief reason for helping them is because it is the *RIGHT* thing to do!



The Prudential Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey



REWARDS of CONSERVATISM

At a time when strong cash position is of paramount importance, our traditional emphasis on security of principal rather than interest yield has produced results that should inspire confidence.

The Company's 62nd annual statement reveals healthy progress in every factor designed to insure stability and the means to meet our liabilities. An increase of \$1,436,400 brings total assets to \$74,407,234.16. To special contingency reserves and surplus were added, respectively, \$900,000 and \$250,806. The aggregate of special contingency reserves, surplus, and capital amounts to \$13,891,821.20—nearly 20% of our entire assets.

In pointing to the encouraging record of the trying year just past, we gratefully acknowledge the fine cooperation of a loyal agency force, and the good will of policyholders, both old and new.

THE LIFE INSURANCE COMPANY OF VIRGINIA
RICHMOND, VIRGINIA

Management Men, in Midwest Session, Cover Wide Field

LINCOLN NATIONAL IS HOST

About 140 Executives Attend Conference—A. F. Hall Cites Need for Lower Operating Cost

Approximately 140 executives attended the midwest special conference of the Life Office Management Association held in Fort Wayne, Ind. The Lincoln National Life served as host and sessions were held in the company's building.

The first day's session, devoted to a study of the operation of the new business department in the small and medium sized company, was presided over by John F. Ruehlmann, vice-president Western & Southern Life.

Following the address of welcome by Arthur F. Hall, president Lincoln National Life, Dr. J. Rozier Biggs, medical director of the Union Cooperative Insurance Association, delivered a paper on the handling of medical examinations. Papers by individual members of a committee reporting on the operation of the policyholders index were delivered by W. J. Moore, assistant secretary, Old Line Life of Milwaukee, J. H. Alltop, American Central Life, and A. J. Clemons, secretary Montana Life.

R. P. Edwards Appears

At the afternoon session R. P. Edwards, manager ordinary issue department, Western & Southern, outlined the control of pending applications and examinations in the new business department. The meeting was then thrown into an open discussion developing detail company practices in handling reissues and additional policies, reinstatements and changes, together with the underwriting routine involved.

On Tuesday, Dr. H. W. Cook, vice-president and medical director, Northwestern National Life, opened the meeting with an address on the responsibilities and functions of medical directors and lay underwriters. A. J. McAndless, vice-president Lincoln National Life, presented a paper on the selection and training of lay underwriters. A paper prepared by L. W. Morgan, vice-president of the Pacific Mutual, covering standards of production for underwriters was read by Dr. M. B. Bender of the Guardian Life.

The morning session was closed with an address on sources and use of underwriting information by Arthur Coburn, vice-president North American Reassurance.

Current Underwriting Problems

The closing session of the meeting was devoted to an underwriting clinic on current underwriting problems.

C. F. Cross, assistant secretary, Lincoln National Life presided. Specimen cases distributed in advance of the meeting served as the basis of discussion. F. J. Halliday, assistant actuary Acacia Mutual, C. L. O'Brien, manager underwriting department Minnesota Mutual, Max S. Bell, actuary Continental American Life, and W. E. Creery, assistant insurance supervisor Provident Mutual, were discussion leaders.

The annual meeting of the association will be held in Chicago October 2-4.

Mr. Hall, in his address, said there must be greater management skill in life insurance. Despite the trend to currency inflation, he expressed the belief the business in the future will be handled on a lower price level. Lower yields on securities, investment losses, excess mortality on certain classes, he said, must be compensated by lower expenses.

The public now realizes, he declared, that mere size does not necessarily mean

Life Sales Reports Are Decidedly Encouraging

A 100 percent increase in new business issued and a 90 percent increase in new business paid for in May is reported by the Mutual Benefit Life. Fifty-three of its 62 agencies showed substantial increases for the month and many are now well ahead for the year to date. Business issued in May totaled more than \$27,000,000 and paid business more than \$20,000,000.

Increases greater than 100 percent were recorded in the agencies at Portland, Me., Boston, Worcester, Providence, Syracuse, Buffalo, Detroit, Grand Rapids, Mich., Philadelphia, Pittsburgh, Cincinnati, Springfield, Ill., Baltimore, Louisville, Nashville, Anderson, S. C., Birmingham, Jackson, Miss., St. Louis, Omaha, Oklahoma City, Salt Lake City, Great Falls, Mont., Portland, Ore., and Los Angeles. Those showing close to 100 percent increases were New York City, Newark, Lexington, Ky., Atlanta and Seattle.

The Pilot Life showed a 17 percent increase in May business. Its industrial new business for May increased 44 percent and was the largest in 22 months. The week of May 15 the industrial department reached an all-time peak by issuing the largest number of industrial policies ever handled in a single week in its 13 years of operation.

The Bankers Life of Iowa reports an increase of more than \$1,000,000 during the first week in June.

The Colorado Life reports new business in May the largest since October, 1931.

The Central States Life reports a 26.2 percent increase in new business in May compared with April.

The J. R. Oxenhandler Agency of the Union Central Life in St. Louis reports that its net paid business in May showed a gain of 100 percent compared with April.

The Southeastern Life of Greenville, S. C., reports a very favorable experience for the first five months, both as to new business paid for and in its mortality experience.

The figures are:
New business first five months, 1933 \$3,822,766
New business first five months, 1932 3,376,959

Increase in business for 1933, \$ 445,807
Death losses first five months, 1932 \$ 168,513
Death losses first five months, 1933 78,002

Decrease in death losses for 1933 \$ 90,511

The company is planning to hold the annual convention of its Leaders club at Myrtle Beach, on the coast of South Carolina, on July 11-14. The officials are optimistic regarding the outlook for the months ahead and feel that the second half of the year will bring an even greater increase in business.

The annual Hall month campaign of the Lincoln National Life which is conducted each May in honor of A. F. Hall, president, resulted in the greatest volume of business written since January, 1933. Michigan led all others in the Lincoln Life territory in number of men qualified. Texas was second, California third, and Indiana fourth.

soundness and safety. The insurance buyer is interested in character and integrity of management.

Mr. Hall warned against injuring personnel in making economies. The human equation must be considered.

Tom Jenkins of South Ben. Ind., has been appointed manager of the Joliet, Ill., district of the Western & Southern Life, succeeding C. V. Chessier, who has been transferred to St. Louis.

Two West Virginia Men Are Mutual Life Leaders

Two Mutual Life of New York men who attended the \$250,000 Field Club's convention in Quebec have attracted attention on account of their work. W. P. Gwathmey of the Wheeling agency under Manager E. D. Wilson started with the company about a year ago. He graduated from North Carolina State College and took his master's degree at the University of North Carolina. He was connected with the L. & N. railroad as assistant valuation engineer and after the war he became manager of the Ohio Sand & Gravel Co. at Wheeling. Regardless of the depression he has written a good amount of business month after month.



W. P. GWATHMEY



A. L. JETER

Another man who has made a record in this same agency is A. L. Jeter of Huntington, W. Va., who also was in attendance at the field club meeting. He started Jan. 1, 1932. He was born at Glen Jean, W. Va., and had special training in accounting and business administration. He was formerly office manager of the West Virginia Seating Company. He also keeps near the top of the list in production.

Unfunded Life Trusts Not Affected by U. S. Decision

There appears to have been some misunderstanding as to the recent U. S. Supreme Court decision in the cases of Burnett vs. Wells and DuPont vs. Commissioner. Marc A. Law, general agent National of Vermont, Chicago, and an authority on tax matters, explains that both cases refer to life insurance trusts but not to the ordinary form of unfunded life insurance trusts. He says: "Section 219-H of the revenue act of 1924 provided: 'Where the amount of income from a trust is, or may be applied to the payment of premiums upon policies on the life of grantor [except policies of insurance irrevocably payable for the purpose and the manner as specified in paragraph 10 in subdivision A of section 214, (the exception having relation to trusts for charity)] the cash amount of the income from the trust shall be included in computing the net income of the grantor.'

"In both of the above cases the insured had set up funded trusts, the income from which was to be used to pay the premiums on insurance policies on his own life. Income tax on the income of the trusts was paid by the trustee instead of by the insured, resulting in a smaller tax. The government claimed the tax should be paid by the insured and sued for the difference. It won its claim in the Supreme Court."

For some years life agents made capital of a situation which existed under which it was possible to create a funded trust and have the trustee pay the income tax, which was much less than if paid by the principal. This loophole, however, was plugged by legislation.

Advisory Board of Lawyers Named in Illinois Life Case

POWER TO CONSIDER PLANS

Court Appoints Three to Analyze Revised Reinsurance Proposal to Be Filed June 16

The proposal of James S. Kemper of Chicago and his interests to reinsure the Illinois Life entered another stage Tuesday with appointment by Federal Judge Wilkerson of an advisory board of three attorneys to study this and other proposals.

It is composed of W. H. Thompson, Indianapolis; T. L. Marshall, Chicago, and S. T. Swansen, Milwaukee, counsel Northwestern Mutual.

It was directed to examine and report on a revised reinsurance agreement to be presented June 16 by counsel for Mr. Kemper. This revision is said to represent a compromise between the proposal under consideration for several months and exceptions and suggestions made by Judge Wilkerson.

The board also was directed to examine other plans or, if the Kemper plan is not approved, to draft a plan. This is taken to mean that the board might seek other reinsurance bids if this should become necessary.

R. F. C. Loan Important Issue

The question of an R. F. C. loan on Illinois Life assets was stressed by the court, which said in previous hearings it appeared the Kemper plan could not be carried out without such a loan. A difficulty is that the share in assets of policyholders dissenting to reinsurance could not be pledged. The R. F. C. is said to be willing to make the loan if legal complications can be ironed out, and it is thought a plan to do so has been devised.

The board of attorneys was authorized to negotiate with the R. F. C. in regard to the Kemper plan or any other. Judge Wilkerson emphasized that undue delay may be costly to policyholders and every effort should be made reasonably to hasten determination so assets may be conserved.

Possibility of Withdrawal

There have been rumors current for several weeks that Mr. Kemper and his interests feel they have made a fair proposal, and that they are unwilling to continue the hearings on many technical points indefinitely. It is said every continuance of the case brings closer the possibility that the Kemper bid will be withdrawn, as occurred with the Lincoln National's bid six months ago. It is recognized that long delay depreciates the value of a company held in receivership, and may make unprofitable a reinsurance agreement based on the earlier status.

Persons close to Mr. Kemper this week could not understand the court's action in appointing the advisory board when the court's major objections were practically agreed to in previous hearings. The proposal was drafted in conference with Receiver Abel Davis, who it is said, made the suggestion for one provision to which the court objected.

New Fraternal Liquidation Bill

Both houses of the Ohio legislature have approved a bill which brings fraternal within the scope of the bill passed in March relative to the liquidation of embarrassed insurance companies. Formerly liquidation suits had to be brought in the court of appeals. Now they may be brought in the common pleas court of Franklin county (Columbus) or the county in which the company is located.

The bill to prevent the circulation of false reports about insurance companies has also passed both houses.



A photo of the U. S. Government Building at "A Century of Progress" taken as it was nearing completion. . . .

THERE'S NOTHING NOVEL About Going to Chicago

... BUT when you've really earned the right to go, and can take in the greatest of World's Fairs at the same time, it's a different story.

NWNL's 1933 Convention will be held in Chicago this summer. . . Already more than 125 fieldmen—many of whom will be accompanied by their wives—are scheduled to attend. . . Determined effort during the past 18 months, assisted by effective, business-getting sales helps, has qualified them in spite of all obstacles. . . There, flushed with victory in their past endeavors, they will be eager for the new inspiration and equipment awaiting them.

For relaxation, they will have ample time to visit the "Century of Progress" Exposition, a chance of a lifetime. . . And when it's all over, there will be lots of renewed vigor and enthusiasm with which to begin again the drive toward greater production records and correspondingly greater earnings.

It's really novel to go to Chicago—when you can go the NWNL way.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

THE FIRST COMPANY IN THE FIRST CITY IN THE FIRST STATE

Designed—Not Adapted

All plans of life insurance are used extensively for business purposes. However, the Continental American offers a special Business Policy designed to meet the peculiar requirements of corporations and partnerships. This great policy is in keeping with the Company's constant aim to offer the most useful plans of insurance from the standpoint of the buyer. At age 35, \$100,000 calls for a premium of only \$1,717, and this low rate is still further reduced by dividends.

Continental American
Life Insurance Company
Wilmington, Delaware

CAN HE PAY?

The important question in prospecting today is, "Can he pay?" Fidelity agents learn this in advance, through their lead service, in thousands of cases. This conserves time. It increases the number of hours face to face with interested prospects.

The 1932 experience shows that the ratio of calls to interviews to sales is greatly improved when agents go in behind the lead service. Present day selling demands the concentration on interested prospects, able to buy, developed by this Fidelity service.

Send for booklet

"The Company Back of the Contract"

The **FIDELITY MUTUAL LIFE**
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

Growing Insured Mortality Raises Medical Problems

1932 WORST IN OUR CENTURY

Dr. Henry Wireman Cook at Office
Management Meeting Says New
Ideas Are Called For

FORT WAYNE, IND., June 15.—Opportunities of insurance medicine are steadily and rapidly broadening, said Dr. Henry Wireman Cook of the Northwestern National Life at the meeting here of the Life Office Management Association. His subject was "Responsibilities and Functions of Medical Directors and Lay Underwriters."

Dr. Cook said that the advent of the numerical system of rating and the lay underwriter was viewed by some medical men not without uneasiness, but only a mistaken view would conclude that the importance of the scientific field of medicine in the life insurance industry has weakened or narrowed.

If the medical officers keep pace with modern advances, both in the profession and in life insurance, they will recognize not a limitation of opportunity, but a vastly broadened horizon, said Dr. Cook. The day has passed when the medical director can be satisfied with doing the clerical work of passing upon examinations.

Sag in Prosperity

Dr. Cook made the interesting statement that in easy prosperous times, business management and human conduct in general sagged to steadily lower levels. Our recurring depressions of the past 100 years has each brought us to higher social and economic standards, and the regime which resists these changes has been doomed each in turn to make way for a "new deal."

In medical selection the experience of the past five years may well teach that a more adequate management is imperative. The mortality of 54 American companies during this period rose from 50 to 60 percent. This has been estimated to entail an excess loss of \$400,000,000, said Dr. Cook. That something is radically wrong has been appreciated in some companies and equally radical reorganization attempted, not always with a very clear understanding of where the faults lay or in which direction the reforms should proceed. The principles underlying successful medical selection have never been given studios or adequate attention by life insurance management. As one executive has recently insisted, "selection has never been regarded as a major executive function."

Pendulum Swinging Back

There is a present tendency in both professional and business organizations towards over-specialization. The pendulum is swinging back. Dr. Cook believes that better results can be obtained by centralized authority and control than by an over-specialization of function and divided responsibility in medical selection.

Medical selection now faces a serious unfavorable insured mortality trend. Last year was the healthiest on record for general mortality and the worst, excluding 1919, in the present century for insured mortality.

Dr. Cook dealt at some length with the importance of the underwriting problem of appointing, training, cultivating and using the medical examiner.

Receiving Dishonest Reports

He declared that to a larger extent than there is any justification for insurance companies are receiving incompetent, partial, superficial, or actually dishonest reports. He said this is an extreme statement but he believes it is justified. He quoted a past president of the Minnesota Medical Association, who said, "No wonder insurance com-

PERSONALS

Vice-President F. L. Jones of the Equitable Life of New York was awarded the honorary degree of doctor of laws at the annual commencement of Hampden-Sydney College of Hampden-Sydney, Va. Prior to entering life insurance in Indiana, Mr. Jones was a prominent educator in his state and served as state superintendent of public instruction for four years.

W. E. Fellows, from 1915 to 1931 agency cashier of the Fidelity Mutual Life in New York City, died in the Presbyterian hospital in New York after a short illness. He was connected with the A. Wallis agency, which was taken over by L. A. Cerf, Jr., in 1929. Since 1931 Mr. Fellows had been a personal producer in the agency.

J. G. Butterbaugh, home office superintendent of agencies of the Bankers Life of Des Moines, who submitted to a major surgical operation at the Mayo hospital, in Rochester, Minn., recently, has been discharged from the hospital and will return to Des Moines, as soon as he is able to travel.

Miss Fannette Frigand and Leon Gilbert Simon of New York City, nationally known business insurance authority, were married in Paris June 12. Mr. Simon and Miss Frigand met two years ago when she was in New York studying at Columbia. Last June she returned to Paris to complete her course at the University of Paris and the Sorbonne and has just been graduated. Mrs. Simon is a gifted linguist. She specialized in literature and art and has tutored at the Alliance Francaise. Mr. Simon is a former president of the New York City Life Underwriters Association, chairman of the advisory council of the Chase National Bank, a lecturer at New York University, and author of books on business insurance and inheritance taxation. Mr. and Mrs. Simon will return to New York about Sept. 1 after visiting Switzerland, Italy and Spain.

Following the announcement of the home office that Maurice Chevalier had presented his co-star, Baby Leroy, with a Lincoln National Life educational policy, many company representatives took steps to cash in further on this publicity. When the Paramount picture "A Bedtime Story" was shown in Warren, Ohio, District Agent J. E. Guthrie arranged for a descriptive leaflet and other announcements to be displayed on the table in the lobby of the theatre. Mr. Guthrie reported great interest and a number of additional prospects from his activity.

panies have suffered excessive losses. They do not want competent or honest examinations. If a physician reports impairments as he finds them, he is promptly dropped by the agent for a more complacent examiner."

There are a number of present day factors tending to make it increasingly difficult to obtain medical examinations which actually reveal the hazard as it really exists, said Dr. Cook, and each of these factors makes the use of a competent, honest examiner the more imperative and the use of a poorly trained dishonest examiner the more costly.

Aside from the problems of selection, Dr. Cook said the medical director has a large field of usefulness. Life insurance has a wealth of convincing and valuable data on mortality and morbidity which should be brought to public health activities and utilized. The medical personnel of insurance companies have knowledge of health problems which should be actively directed in such public service.

The Beacon Mutual Benefit has moved its head office to 6 North Clark street, Chicago.

Changes in Practices Due to Moratorium Are Debated

SUGGESTIONS OF ACTUARIES

Discuss Proposed Five-Year Cash Values, Annuities, Cash and Non-Cash Value Policies

Suggested changes in life insurance practices due to the policy moratorium were discussed in the Chicago meeting of the American Institute of Actuaries. George Graham, vice-president Central States, said any changes considered advisable must be kept within limits of standard provision laws, with maximum surrender value \$25. He expressed conviction that twisted business will result in deterioration of the business in force and lapsation may have the same result.

The companies need protection against themselves, he said, and instead of maximum surrender being permissible, the law might better state maximum surrender value. Other possible changes he cited are greater coordination between investment and administrative departments, the maintenance of much more liquid position in the future, the amortizing of farm mortgages just as small home loans are amortized. There should be more life insurance protection and less investment policies, he said; more policies with a larger protection element in the premium. When companies sell life insurance they are in a field of their own, but when they sell savings they are in competition with many other institutions.

Little Makes Suggestion

J. F. Little, Prudential, said the companies should be permitted to refuse to pay a reserve that in fact they could not realize on their assets or which the assets would not warrant; that at present it is doubtful if a single company in this country has surrender values as low as the law permits.

J. C. Rietz, Midland Mutual, questioned whether any type of surrender charge would have solved the present situation, but that the moratorium probably would have been needed anyway. He pointed out that in Ohio it has been proposed that policies might be issued without cash surrender or loan values by saying so on the face, with perhaps cash values at stated periods after five, 10, 15, 20 years, etc. This, he said, would distribute the cash demand on companies.

Another speaker expressed doubt that at this late date life insurance could be completely changed without damaging the service it renders. He said no institution can be sounder than the economic order in which it lives. He said a remedy is needed which will enable companies and agents to build up in the public mind the thought that a life policy is something to be kept and is expensive to drop, rather than to revamp the entire business.

Discuss Five-Year Values

E. B. Fackler, New York consulting actuary, discussing proposed five year cash values, saw as one difficulty probably unwillingness of banks to accept such an arrangement in case of assignment of policies.

Arthur Coburn, vice-president North American Reassurance, explained the British practice, which calls for 4½ percent preliminary term basis for surrender values. He said the British companies went through far greater troubles during the world war than are the American companies now, there being huge mortality, not only from the war, but among parents of those killed or injured, and assets also depreciated. No British company failed or was unable to meet cash loan and surrender demands, he said. The valuation basis was changed to accomplish this, a remedy not open here, as the effect of the

law has been to encourage competition. If all companies were unwilling to use a maximum surrender charge, he said, that would be fine, but 10 percent of noncooperating companies would cripple the effort.

Another change suggested by several speakers, including A. T. Lehman, Detroit Life, and Vice-president E. L. Marshall, La Fayette Life, was to increase the three months waiting period on cash loan and surrender demands to one year. Mr. Marshall said to have two different classes of policies, cash values must be permissive and automatic non-forfeiture values must be continued. A law change which would be required in several states would be that cash value must be at least equal to value of the other options. There should be both minimum and maximum surrender charges, he said.

Several speakers stated if there had been provision for a longer waiting period and the maximum surrender charge permitted by law had been used, the companies' situation would have been greatly relieved in the depression.

There is a feeling among the actuaries that expenses on annuities and taxes may increase and it seems likely a rise in annuity rates is imminent, although no decision to this effect has been made by the companies. There seems less likelihood of savings in interest rates. One suggestion is to consider females as males and rate them down five years, which would help in valuation work. A communication from Arthur Hunter, New York Life, giving a proposed basis for annuities, was read.

Prof. H. L. Rietz, University of Iowa, and H. V. Jackson, National of Vermont, discussed a paper, "Annual Dividends—An Asset Share Method of Distribution," presented at the last meeting by E. F. Estes, Bankers' Life of Nebraska.

New Company Is Licensed to Reinsure the Victory Life

The Victory Mutual Life, which was organized to reinsure the business of the Victory Life of Chicago, Negro company in the hands of a receiver, has been licensed by the Illinois department. The order validating the plan has been signed by Federal Judge Evans.

Under the plan a lien of about 60 percent will be placed against policies, the balance to be available for carrying the insurance but not for cash withdrawals. The lien is to be readjusted five years from next December and the promoters promise that it will be completely wiped out by 1948. Surplus is to be created from the assets of the old Victory. Offices will be at 5601 South State street.

L. K. Williams, a preacher and director of the old Victory Life, will be president of the Victory Mutual. John Holloman, head of the Pyramid Mutual Life, Negro assessment company, will be first vice-president. J. E. Mitchell, secretary of the Underwriters Mutual, another Negro assessment company, will be secretary. He is leaving his present connection. Chairman of the board is to be Dr. P. M. H. Savory, New York physician.

A. A. McKinley recently resigned as co-receiver for the Victory, the sole receiver now being James Gullet. Mr. McKinley is now associated with Gilbert Wagner, attorney for the Victory Mutual interests.

Ickes With New England Mutual

SAN FRANCISCO, June 15.—W. W. Ickes former manager Golden Gate agency Western States Life and following its merger with the California State Life assistant manager home office agency of the California-Western States until April this year is appointed agency director New England Mutual Life by Oscar C. Lebart, general agent at San Francisco.



*On the foundations
laid today
will be built the
Successes of Tomorrow*

Out of these trying times will arise a new contingent of prosperous and successful men. Their experience will be tempered with adversity and hard work—they will know the advantage of careful planning and tenacity of purpose.

Life insurance representatives are in an excellent position to capitalize upon the changes the next decade will bring.

Their individual efforts will reap a great harvest in the NEW ERA.

And those with a contract offering greatest opportunity for personal endeavor will profit most. Great Southern agents contracts are all uniform, are direct with the home office and provide liberal first year and exceptionally large renewal commissions.

For more detailed and complete information write the home office.

GREAT SOUTHERN
LIFE INSURANCE COMPANY

E. P. GREENWOOD, President
HOUSTON, TEXAS

New Regulations Are Issued by Several Commissioners

BASED ON RECOMMENDATIONS

Illinois Introduces Some Independent Features in New Restrictions—Con- necticut Adopts Suggested Plan

Superintendent Palmer of Illinois has issued new moratorium regulations in his state, following in general the type recommended by the National Convention of Insurance Commissioners, but incorporating a few independent wrinkles. Mr. Palmer who was the first to prohibit payment of dividends to stockholders while restrictions are in effect, now prescribes that the express approval of the department must be obtained in advance by any domestic company desiring to pay dividends. As to companies domiciled in other states, the express approval of the department of such states must be submitted to the Illinois department with a request for permission to pay dividends.

Mr. Palmer's ruling, in its comity clause, also adds the provision: "Any foreign company doing business in this state shall be permitted to observe in this state any rules, regulations or orders relating to policy loans, surrenders and withdrawals of funds to which it is subject in the state of its domicile."

Another Departure

Mr. Palmer also departs from the standard provisions in the principal clause in the ruling, the Illinois provision reading: "Cash surrender values may be allowed and policy loans may be made in accordance with the provisions of the policy or contract to the extent required to relieve immediate need, if the policyholder shall present to the company reasonable evidence in writing that the withholding of the cash surrender value for a loan would result in hardship to the policyholder or to his dependents."

Another independent provision in the Illinois ruling is, " * * * and where the depositor has a withdrawal option under the terms of the deposit agreement, allow the withdrawal on any calendar month not to exceed 5 percent of the amount to his or her credit not to exceed \$200 per month; otherwise no payment of any sum deposited with such corporation or allowed to accumulate in its possession under any policy or contract shall be made, except upon such evidence as is required for the payment of cash surrender values as herein set forth, unless such sum was deposited or credited subsequent to March 13, 1933."

Commissioner Dunham of Connecticut has issued new regulations, which are identical with those recommended by the commissioners' convention. Minnesota has followed the same course.

Delaware, Massachusetts and New Jersey have also issued regulations identical with the Chicago model. Pennsylvania has done so with minor changes in detail.

Changes in regulations are expected soon from Iowa, Minnesota, New Hampshire, Tennessee and West Virginia. No changes are contemplated in Maryland, Michigan or Wisconsin.

The Michigan department states that the rules issued May 19 will not be modified for a time. Under those rules loans may be made for taxes, interest, rent, medical expenses, food, educational and agricultural purposes, payroll and prevention of penalties on prior commitments.

Lloyd W. Klingman, son of W. W. Klingman, agency vice-president of the Equitable of New York, and manager of the salary savings division of that company, was in Chicago for several days this week. He held a salary savings school for agents interested in that branch, the first time one has been held by the Equitable in Chicago.

Failures Represent Less Than 1 Percent of Total

The legal reserve life companies which have been placed in receivership during the last two years are listed below with their present status. The insurance in force of the 13 failed companies represents only a minute portion of the total in force in all legal reserve companies, the failed companies having approximately \$683,200,000 in force, compared to \$108,000,000,000 in all companies, or only .6 percent. This is an unusually good record when compared with other businesses and financial institutions. These failures cast no reflection on the institution of life insurance and the well managed companies because in every case the failure has either grown out of poor judgment or exploitation on the part of those in control.

Chicago National Life—James M. Crume appointed receiver June 3, 1932. Reinsured by Pacific States Life, Hollywood, Cal. Insurance in force, \$30,000,000.

Cosmopolitan Life, Ill.—Harvey B. Hershey, official liquidator Illinois insurance department, Springfield, Ill., named receiver April 17, 1933. Insurance in force, \$6,000,000.

Equitable Life & Casualty, Louisville—Fidelity & Columbia Trust Co., Louisville, appointed receiver March 21, 1933. Life business reinsured by Federal Union Life, Cincinnati, May 4, 1933. Insurance in force, \$1,000,000.

Farmers Union Mutual Life, Des Moines—Appointment of Commissioner Clark of Iowa as receiver is sought. Insurance in force, \$11,000,000.

Illinois Life—Abel Davis, Chicago Title & Trust Co., 69 West Washington St., Chicago, appointed receiver Nov. 29, 1932. Reinsurance contract with Mutual Protection Life of Chicago, backed by James S. Kemper interests, under consideration by Federal Judge Wilkerson. Insurance in force, \$160,000,000.

Inter-Southern Life, Louisville—Receiver appointed April 16, 1932. Business reinsured by newly organized Kentucky Home Life, Louisville, with 80 percent lien. Insurance in force, \$131,295,000.

Lincoln Reserve Life, Ala.—J. L. Drennen, Birmingham, appointed receiver Jan. 11, 1933. Reinsured by Protective Life of Birmingham, Feb. 21, 1933, with 100 percent lien. Insurance in force, \$13,790,402.

Northern States Life, Ind.—J. W. Morthland appointed receiver Dec. 13, 1932. Policyholders reinsured by Lincoln National Life, Fort Wayne, Ind., with 60 percent lien. Lincoln National to place assets in trust, court to appoint trustee. Insurance in force, \$45,000,000.

Old Colony Life, Ill.—Alvin S. Keys and J. A. O. Freus, 134 South La Salle street, Chicago, appointed receivers Sept. 20, 1932. Policyholders reinsured by Life & Casualty, Chicago, with 100 percent lien. Insurance in force \$27,000,000.

Royal Union Life, Des Moines—J. A. Andrew, Iowa superintendent of banking, appointed temporary receiver. Hearing on permanent receiver June 24. Insurance in force, \$155,500,000.

Security Life, Ill.—J. A. Massen, 33 N. La Salle street, Chicago, appointed receiver April 18, 1932. Policyholders reinsured by the Central Life of Illinois with 100 percent lien. Insurance in force, \$62,270,000.

Union National Life of Dayton, O. and Charleston, W. Va.—Taken over by Ohio insurance department for liquidation by G. B. McCann, special deputy. In May, 1933. Policyholders will probably be reinsured. Insurance in force, \$23,640,000.

Victory Life, Ill.—Receiver appointed July 6, 1932. Business to be reinsured in newly organized Victory Mutual Life with 60 percent lien. Insurance in force about \$16,000,000.

Note—The amounts of insurance in force given are the latest available figures before the companies went into receivership and do not take account of shrinkage since that time.

President Fulton to Speak

President James A. Fulton of the Home Life of New York will speak on "Life Insurance Salesmen and Changing Conditions" at the sales congress of the Northern New Jersey Life Underwriters June 21.

Massachusetts Mutual Men in Return to Fundamentals

IS THEME OF CONVENTION

President Sargeant and Dr. Huebner Address Agents Meeting at White Sulphur Springs

A definite spirit of optimism pervaded the 41st annual agency convention of the Massachusetts Mutual at White Sulphur Springs. The theme was "Back to Fundamentals." K. E. Williamson, Peoria, Ill., president of the agency association, opened the meeting and was followed by President W. H. Sargeant of the company. Company officials then were introduced.

There was a large contingent from the home office, beside the president there being present B. J. Perry, vice-president; Alexander T. Maclean, second vice-president and actuary; Joseph C. Behan, second vice-president; W. M. Benton, superintendent of agents; Dr. Morton Snow, medical examiner; Wesley E. Monk, chief counsel; James Blake of the agency department and W. A. Rawlings, second vice-president in charge of real estate loans.

Dr. Huebner a Speaker

Dr. S. S. Huebner, Massachusetts Mutual educational advisor, spoke on "These Times and Life Insurance," saying that since 1910 only 18 legal reserve companies failed and of these 13 failures were in the last two years.

Other officers of the convention were: First vice-president, G. S. Schumacher, Cleveland; second vice-president, R. D. Lowenstein, St. Louis; secretary-treasurer, F. A. Lichtenberg, Columbus, and honorary secretary-treasurer, J. P. Stevens, Portland, Me.

A beginners' meeting was held the afternoon of the first day with F. J. Van Stralen of Detroit as chairman. Talks made were: C. R. Smith, Detroit, "Organizing a Day's Work and Doing It"; G. M. Phillips, Atlanta, "The Weekly Production Habit"; W. H. Lackey, Oklahoma City, "Our Job as a Life Worker."

The annual banquet was held that evening, Strickland Gillilan being the speaker.

To Issue Two New Contracts

It was announced at the convention that the Massachusetts Mutual is enlarging its series of family income contracts by adding one with 30 year dependency period, giving four choices, including those for 10, 15, or 20 years. A new contract is to be brought out similar to the family income but guaranteeing to pay the monthly income under the annuity feature of the contract for 20 years after the policyholder dies, whether early or late in the life of the policy.

The underlying theme of many of the talks and discussion was that production is dependent on hard work, time control and careful planning.

E. J. Schlitzer, supervisor, Rochester, spoke Tuesday morning on "Brief Discussion of Fundamentals." Other talks were: W. Scott Smith, agent, St. Louis, "The End of Confusion"; C. R. Robb, agent, Cincinnati, "Merchandising of Life Insurance"; C. G. Keehner, agent, San Francisco, who led the company in production in 1932, "Who Said 'Slump'?" J. A. Robertson, agent, Pittsburgh, "Using Paper and Pencil to Prepay One a Week," and L. C. Appleman, agent, Los Angeles, on "Thinking Straight."

C. A. Schaff, agent, Rochester, gave a fine talk on "Annuities" the morning of the third day and there were two sales demonstrations, one on "Family Income" by F. E. Cavette and J. H. Wilson of Peoria, Ill., as agent and prospect, and the other on "A '49er in Action" by K. W. Perry, R. H. Field and Grace R. Colton of Springfield, as agent, prospect

Sentiment Is Growing for Second Term for Boone

MAN NEEDED CLOSE AT HAND

Some Members of the American Life Convention See Necessity of Departing from Custom

There is considerable talk about the official lineup of the American Life Convention, whose annual meeting will be held at the Edgewater Beach hotel, Chicago, the week of Oct. 9. Daniel Boone, president of the Midland Life of Kansas City is the head of the organization. The American Life Convention has followed an unwritten law in electing a new president every year. There has been only one man who has served two terms, he being J. B. Reynolds, president Kansas City Life, who was the first president and who was reelected some 20 years later to serve another term. The next man in line for the presidency is F. V. Keesling of San Francisco, vice-president and general counsel of the West Coast Life, who has served some three years on the executive committee and who is president of the Association of Life Insurance Counsel. Mr. Keesling is held in very high regard and under ordinary circumstances there would be no question as to the advisability of him serving.

Need President Near By

Owing to the peculiar situation with regard to life insurance and the vital and critical problems before it a number of the members feel that the president of the American Life Convention should be near at hand where he can take decisive action on short notice and get in touch with the leaders in the business at any time. Mr. Boone has made a most exemplary official in that he has worked effectively and spoken authoritatively, not only for the American Life Convention and the welfare of its companies but for other companies domiciled in A. L. C. territory. While it would be a departure from the unwritten law to reelect a president, there is a growing sentiment that Mr. Boone should serve another term not only because of his location but because he has gone through a year which has been fraught with so many problems and therefore he knows the ins and outs of what has been done. He would have a big advantage in dealing with the issues that come up during the forthcoming year.

There are two other men on the executive committee of the A. L. C., near executive headquarters, who would be eligible to the presidency, Frank P. Manly, president Indianapolis Life, and Walter E. Webb, executive vice-president National Life, U. S. A. Mr. Manly is the senior member in the ranks. Another member of the executive committee who was elected last year is H. K. Lindsley, president Farmers & Bankers Life of Wichita. If Mr. Keesling is put aside for a year to enable someone else to occupy the place who is near at hand Mr. Manly would be the logical person. However, many of the members who have talked informally on the subject feel that with the reelection of Mr. Boone, Mr. Keesling could step into the office a year hence and undoubtedly life insurance conditions then would be much more stabilized and his distant residence would not be so much of a factor.

and secretary. F. T. McNally, general agent Minneapolis, gave an inspirational address entitled "Sursum Corda."

The Federation of Women Underwriters of the Massachusetts Mutual held a meeting Tuesday with Alberta Allen, agent, St. Louis, as chairman, the subject of the discussion being "How to Sell Business in 1933."

See a Real Upturn in Business Circles

Indications of a definite and permanent upturn in business were broadcast to the field force of the Lincoln National Life recently by the investment research department of the home office. This included five charts: railroad car loadings of raw material; railroad car loadings of manufactured products; rate of operations in the steel industry; automobile production; and electric power production. Every one of these basic activities has passed last year's mark which seems to indicate that business has permanently turned the fabled corner. The rapid rise of commodity prices plus the upturn of business has added billions of dollars to the purchasing power of farmers and business men, which is good news to life men.

Want E. W. Clark as Receiver

**Petitions Ask Appointment of Iowa
Commissioner for Royal Union
Life of Des Moines**

DES MOINES June 15.—Two bills of intervention, asking that Commissioner Clark of Iowa be named permanent receiver for the Royal Union Life, in place of L. A. Andrew, temporarily in the post, were filed in United States district court here this week.

A hearing on permanent receivership is scheduled for June 24. This is on application of H. A. Gross of Los Angeles, a stockholder and director.

The petitions in intervention were filed by Peter Kern of Fort Madison, Ia., also a director, and Otto Lange, of Dubuque, a general agent for the company. They stated the law requires that the liquidating officer of any insurance company shall be the commissioner of insurance who shall act without additional compensation.

Reorganization Is Sought

They further asserted that steps were taken at the last meeting of commissioners in Chicago, to suggest a plan of reorganization. Lange's bill stated that to permit liquidation without reorganization would destroy the rights of himself and others similarly situated. He suggested the company be reorganized and released as a going concern. Lange has been employed by the company for more than 25 years.

Kern was secretary of the Roman Catholic Mutual Protective Society for 27 years before its merger with the Royal Union.

Mr. Andrew, the temporary receiver, is state superintendent of banking, whose term of office expires July 1. He has signified his intention of resigning his banking commissionership June 24, in the event that he is appointed permanent receiver.

A policyholders' and stockholders' committee is in process of formation. Pending action on a hearing for permanent receivership Mr. Andrew is studying two plans for rehabilitation.

The first is to place the company on a mutual basis controlled by the insured group and for their interest. The other is to reinsure the Royal Union in another company or companies.

Andrew asserted that all death claims against the company would be paid regardless of the receivership disposition. Premiums, which are received, are being held in trust pending outcome of the hearing June 24.

SUSPENDED IN NEBRASKA

LINCOLN, June 15.—The Nebraska department has suspended the license of the Royal Union Life until such time as

NEW YORK NEWS

SMERLING GOES TO BERKSHIRE

W. C. Smerling has resigned as agency supervisor of the L. D. Landau agency of the Guardian Life in New York City to become assistant general agent of the S. S. Wolfson agency of the Berkshire Life there. He has been in the life insurance business since 1919, when he joined the Guardian as office boy in the actuarial department. At 18 he was head of the agency statistical department. Later, while acting as office manager of the Landau agency he studied law and upon his graduation from law school was appointed agency supervisor.

* * *

MAIER HEADS SUPERVISORS

Roe A. Maier, supervisor of the Luther-Keffer agency of the Aetna Life, was elected president of the New York City Life Supervisors Association. Other officers are William Holdsworth, of the J. S. Myrick office of the Mutual Life of New York, vice-president; and J. J. Siegel, of the P. R. Garrison agency of the Prudential, secretary-treasurer.

* * *

NEW YORK MANAGERS' OUTING

The New York City Life Managers' Association will hold its first all-day outing June 22 at the Larchmont Harbor Links, Mamaroneck, N. Y. Harold Taylor, manager Mutual Life of New York, is in charge of arrangements.

* * *

DE LONG'S FINE MAY RECORD

A striking increase over its May, 1932, record was made last month by the C. E. De Long agency of the Mutual Benefit Life in New York City. The agency paid for \$2,771,000 as against \$1,564,500 in May, 1932. It is also ahead for the year to date, having paid for \$9,096,000 as against \$8,208,000 in the same period last year. Last May was the agency's best month since December, 1930. A considerable part of this record is attributable to the enthusiasm with which agents have accepted the new policy recently issued. Of business submitted in the first two months after the new policy was introduced more than \$6,000,000 was on this form.

* * *

KILLED IN CHICAGO CRASH

J. G. Robinson, son of Herman Robinson, one of the largest general agents for the Travelers in New York City, was one of seven passengers killed in the crash of the "Northern Light," Sikorsky amphibian, in a flight from the world fair grounds. The Robinsons were in Chicago, after having attended the graduation exercises of another son at Culver. Young J. G. Robinson graduated from that academy in 1930. A classmate of his at Culver was also killed in the crash. Edward Dudley, manager for the Travelers at Chicago, attended the inquest with Mr. Robinson and helped out in other arrangements.

Young Robinson was known to many in the Travelers' organization, because he was taken by his father to Travelers' conventions for several years.

It has been restored to its officers. The department participated in the examination which resulted in conditions being imposed that the company has not met. It has nearly \$4,000,000 in force in Nebraska, inheriting the larger part of that business when it absorbed the Lincoln Life & Accident.

OKLAHOMA RECEIVERS NAMED

OKLAHOMA CITY, June 15.—Kelly Roach and George Henshaw have been appointed ancillary receivers in Oklahoma for the Royal Union Life. Business in force in Oklahoma Dec. 31 was \$3,453,883.

FORGET THE Gadgets

... and sell protection

"It is time we stopped talking about the gadgets of life insurance—cash and loan values, low net costs and the like. We don't need them today. The thing to tell our prospects is that in providing for future needs the only thing that will remove the question mark is life insurance."—H. E. North, 2nd vice-president Metropolitan Life.

● New selling technique is needed to meet present conditions. Agents must forget the gadgets and sell protection . . . the basic function of life insurance. The National Underwriter's Life Payments Number shows life insurance in Action . . . shows the death payments by individuals, cities and states. These payments are actual evidence that life insurance still is the best investment a man can make.

When an agent solicits business with a copy of the Life Payments Number he is showing how life insurance as an institution is contributing to the individual and national welfare. Payments in 1932 totaled well over TWO BILLION and when you present this detailed evidence to a prospect he is bound to be impressed with the importance of life insurance as a service to him and his family.

The National Underwriter's Life Payments Localized Number will be off the press in July. Orders for extra copies to furnish to their agents are now being taken from companies, general agents and managers throughout the country.

THE NATIONAL UNDERWRITER

A-1946 Insurance Exchange, Chicago

OBSERVATIONS ON LIFE INSURANCE

—BY E. JAY WOHLGEMUTH—

The suggestion accredited to a prominent authority that there are about 200 smaller life companies that ought to consolidate or go out of business is one that would naturally come up at this time. We have two schools of thought diametrically opposed, it is often found, illogically enough, in the same program. Our present popular national administration might even be placed in this category. One is that we should have only large corporations and that these should be regulated strictly and closely giving them a semi-monopolistic tinge; the other that opportunity should be kept open for those with sufficient initiative and energy to operate smaller concerns. There are those of us who believe that our traditional American system is about as good for the needs of society as can be devised and that we do not need fundamental changes, although we must naturally keep adjusted to current conditions as much as possible. The present writer believes that while we need large corporations in insurance, as in every other industry, we also need the smaller ones. This does not mean that we should stand for permanent inefficiency, unduly high costs or waste in order to protect small insurance companies. Those that do not show their ability to survive in the natural processes of business should of course go out. But to assume that there is no place for a small insurance company, or a small bank, because it is small, is to our minds to miss the great point that we must have growth and progress in all things in order that our economic system may remain sound.

At a recent bankers' association meeting in the west the president of a small bank in the Ozark mountains remarked that the people in his section really did not know that a depression existed, except for what they might have read in the newspapers concerning conditions in other parts of the country.

* * *

The several hundred smaller life companies of the west and south—some of them no longer so small—have already played an important part in life insurance history. These companies, backed by ample capital and on the whole with fairly good management, largely took the place of the unsound fraternal and little snide assessment associations. These new enterprises were backed with money supplied largely by people who had pride in developing institutions that would represent their home communities. They have paid the price both in money and effort to secure a certain degree of recognition and while some of

them have been conducted rather too selfishly and narrowly, with too great an eye to profits, this is but a natural condition and those companies which have not a sufficiently broad foundation of public service and a recognition of the fact that life insurance is essentially a trust fund business will in time of course be weeded out.

* * *

Every now and then we hear disturbing rumors of movements by promoters looking to wholesale consolidations and we find linked with these projects the names of men of the type who flourished most in the era just passed, oftentimes men who have attained some prominence in one way or another but usually not men who have made a success of their own business—rather those who have seen their own success in capitalizing the efforts of others. These men usually profess to represent this or that man of great wealth or a financial interest such as a great eastern bank or some of its affiliates in the form of holding companies or investment banking concerns. One name that has been rather freely used of late is that of David M. Milton, son-in-law of John D. Rockefeller, Jr., and the story goes that Mr. Milton's interests are prepared to invest as much as \$150,000,000 in the controlling interests of stock life insurance companies. It is not even known whether this rumor is true but certainly any good life insurance executive knows that such an enterprise would find the going hard and rough for the simple reason that both agents and policyholders would object to this method of securing control of life insurance funds and thus a large part of the good will of the constituent companies would be immediately destroyed. There are other enterprises which are not backed by any such substantial interests and which are much more open to question and which life insurance men feel would offer serious objections if they should get under way.

* * *

Promoters of this type do not seem to realize how sensitive a business life insurance is and how a company's ability to operate depends upon the good or ill will of the agency forces who advised the public, more or less wisely, in their life insurance purchases. A small local company is quickly "sized up" as to the ability and honest purpose of its management, the standing of its directors and its methods of operation. Local pride is also a considerable asset. Once these companies are sold out to "investors" who are in the life insurance

business purely as a commercial proposition, especially if these investors be of the "high finance" and promoter type, a feeling both of resentment and distrust is aroused and it becomes very difficult both to hold agents and write new policies.

The smaller life insurance companies taken as a whole have earned their place in the business through the distinct contributions they have made. There was a time, say before the Armstrong investigation, when the life insurance business was more or less static. The business written was small and much of it on an unsound basis, such as by the use of "tontines" and the gambling element. Some of the larger companies were perhaps too well satisfied with themselves and were not sufficiently enterprising in the proper way. The Armstrong investigation changed all this and it is today conducted on perhaps the highest basis of efficiency and honesty of any of the large industries. The injection of the small, well-financed companies backed by local pride and capital was a distinct contribution to the results achieved. They wrote the smaller policies, they went out into the highways and byways of the country and organized territory which the older companies had largely neglected and they took the place of the horde of small assessment and fraternal associations which were neither sound nor well managed. They gave the older companies healthy competition. They aroused a new interest in life insurance at a time when the institution had been injured more or less by the publicity attendant upon the Armstrong investigation. They brought many new men of high grade into the business as executives, directors, stockholders and agents. They put the older companies "on their toes" and obliged them to develop their latent possibilities. This was all in accord with the basic American system. As a result the life insurance system flowered into the splendid institution which, despite its defects, exists today. The strength of the business is that it is still a field of opportunity and truly representative of the American idea of enterprise and initiative. What would be gained by a change to a comparatively few large corporations, with enterprise practically shut off? Changes and eliminations there will of course be. No company can avoid responsibility for its own mistakes. Companies will have to line up with the true spirit of the institution or be eliminated. Why should the managements of companies without this spirit be given an easy way out by being fed into the maw of some capitalist, or worse some promoter who will care nothing about what becomes of the policyholders and agents after he has secured his reinsurance commission or made a deal by which he may line his own pockets?

Agents Important in Underwriting

(CONTINUED FROM PAGE 3)

case of credit insurance where the debtor has no chance of repaying the loan during his lifetime, Mr. Coburn believes the insurance is speculative.

Watch Insurable Interests

A burning question on small cases today, said Mr. Coburn, is the insurable interest. Cases payable to the son, daughter or son-in-law, where the beneficiary is going to pay the premium, are open to suspicion.

Referring to the practice of accepting business already declined by other companies, Mr. Coburn said, one company had mortality experience of 140 percent of its normal rate on such business. Mr. Coburn warned against adopting a mechanical point of view in regard to the numerical rating system as a good underwriter is not mechanical, but must develop a peculiar instinct in examining applicants.

Revised Mortgage Plan Satisfactory

(CONTINUED FROM PAGE 2)

result. For the half-percent differential formerly paid to the mortgage company for its services, the life companies expect to be able to handle the cost of checking up on taxes and taking care of collections of interest and principal. The differential was paid for the service rendered by the loan company rather than for any added security promised by the guarantee. It was customary to investigate all loans equally carefully, whether guaranteed by a mortgage company or not, and life companies made no loans on a guaranteed basis which they would have declined if not guaranteed.

Moratorium Rules Offer Cash Surrender Solution

(CONTINUED FROM PAGE 2)

The bank expects to meet normal needs, and so does the life insurance company. If it can ask why the money is wanted it can check a run. It is the runs due to panic that threaten the safety of banks and companies, and nothing else. The bank or insurance company that cannot meet normal demands is badly managed and there is no reason why it should not be forced out of business.

The fixed period notice of the savings bank is not a real safety anchor. The perfect example is Toledo. The banks there agreed to require the legal notice. The whole town gave the notice, and all the banks, except one, went down together.

Probably every one of the banks could have survived if it had been able to scrutinize the withdrawals, and allow only those that were for necessary or bonafide purposes.

Often an emergency rule becomes standard practice. It seems so radical that nothing but an emergency could secure its adoption, yet it is so well suited to the purpose that it remains. It might well be that the moratorium rules offer the true solution of the cash surrender problem.

Some control over use of such rules by the companies of course would be provided by law, probably through the insurance departments. However, competition would be the ultimate control. A company would be "on moratorium" or "off moratorium" somewhat as a nation is on or off gold. At the actuarial meeting a speaker pointed out that withdrawal of cash surrender values would lead to the old bargaining system, with its evils. Leaving the question of surrenders to be handled by the companies in each case would be practically as bad. However, if a company desired to invoke the moratorium privileges, it could do so under the provision of the insurance department. Until it invoked the moratorium rules it would have to pay on demand.

The same rule applied to savings banks would undoubtedly strengthen the banking structure of the country.

Requiring that a company must get the permission of the insurance department before invoking the moratorium rules would overcome practically every phase of the sales resistance that would be set up by incorporating the rules in the policies. The public patronizes the savings banks, with full knowledge of the possibility of withdrawal notice being required. The public would understand that in a great national crisis they cannot get their cash values anyhow, any more than they can get their bank deposits, while the moratorium rules will prevent the failure of companies. The permanent incorporation of the moratorium rules into the life insurance contract might add to public confidence, instead of setting up sales resistance. If it were carried into the savings banks it would help the companies by saving the banks.

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Family Income Plans
Annuities Endowments
Business
Insurance
Investment Insurance.

A policy to fit every life insurance need.

**THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY**

FORT WAYNE, INDIANA

Watch Motivation of Applicants Now

(CONTINUED FROM PAGE 1)

blood which, because of the fact that first year mortality is always very low, tended to make the experience good.

However, under the pressure of the depression years much of this new business has gone off the books. It has been found that the old business has become increasingly more persistent, due to the fact that many of these old policyholders could not secure new insurance. As a result the mortality has run up rather alarmingly. This is one of the chief reasons ascribed for the advance in mortality during the depression. This situation would, however, soon be remedied by general business recovery.

The companies, as is well known, are not making much money on their investments today. They have come fully to realize that the banking obligations in their policies call for liquidity in direct proportion. This demand to liquidate a portion of the investment portfolio has reduced yield. Thus greater emphasis has been placed on possible savings on mortality than perhaps ever before in the history of life insurance.

Underwriting Responsibilities

The ball has been tossed directly to the underwriters and this accounts for the greatly restricted underwriting policies with which agents in the last year or so have become so familiar. The obligations and responsibilities of the home office underwriters are far more important than they have been for many years and are being more closely watched. The selection department has to be very serious in its choice of examiners and to press for more detailed inspection reports.

Thus home office medical selection has come to the point where a great deal more time is spent on the mechanics of selection than on the medical technique.

A bright spot at the meeting was agreement of many of the medical men that companies have passed the peak in suicide claims. The prospect of inflation, with consequent rise in the stock market and partial rejuvenation of many businesses has given the people hope. Policyholders naturally are loath to kill themselves as a method of paying off their debts when real improvement in general business may now literally be just around the corner.

There was a very definite opinion at the Chicago meeting, however, that the jumbo lines are dangerous to write. In fact, one medical examiner made the statement that bad experience may be expected on every million dollar line. As the medical men view it, the man who is capable of paying the premium on \$1,000,000 of insurance also has the ability to make the most out of his funds on the open market. Therefore, if he becomes interested in life insurance with its comparatively low yield as against the many other investment opportunities which are open to the business man of high caliber, the medical men consider that it must be because the man very shrewdly has valued the various possibilities, or even knows of medical or financial impairments undisclosed to the underwriters.

Investigations Are Demanded

Companion resolutions have been introduced in the Michigan legislature, asking for an investigation of life insurance. One resolution, introduced by Senator McKenna, calls for a senate investigation, the report to be made not later than the next regular session of the legislature in 1935. Another resolution was introduced by Senator Karwick, chairman of the insurance committee. Under this resolution, the insurance commissioner will be directed to report to the legislature salaries of executives of all companies licensed in Michigan. In answer to a question what

steps the legislature might take towards regulating salaries, Karwick said that a limit could be set beyond which a company would be liable to revocation of a license. Neither resolution has been acted on.

St. Louis Actuarial Club Meets

The annual dinner meeting of the Actuarial Club of St. Louis was held June 15. Speakers scheduled were Judge B. K. Elliott, manager and general counsel American Life Convention; H. W. Buttolph, president Central States Life, and C. O. Shepherd, vice-president and actuary Missouri State Life.

Henry Reichgott, vice-president Missouri State Life, and James Scott, comptroller of that company, gave reports on the meeting of the Actuarial Society of America and Miss Eloise Koch of the Central States Life reported on the meeting of the American Institute of Actuaries.

Thurman, Clark in St. Louis

Oliver Thurman, vice-president Mutual Benefit Life, and Dr. C. P. Clark, medical director, spoke at a meeting of St. Louis agents which marked the close of a successful five weeks' drive for new business.

Rating Concerns Now Active in the Chicago Territory

(CONTINUED FROM PAGE 1)

college days, and who later was with an investment office, a few months ago, opened a life insurance counsel establishment in Chicago to give advice to policyholders and prospects. Another concern that is seeking patronage along rating lines is the H. A. Davis Company that has a rating system of its own based on averages of the 23 largest life companies.

Pingree Hughes Starts Campaign

Another pretentious organization called the "Association of Policyholders" has as its guiding star, Secretary Pingree C. Hughes, who also essays to be a rater and advice expert. Secretary Hughes, by the way, seems to be breaking into print. A magazine known as the "Real America Magazine" of Chicago announces that Mr. Hughes has contributed an article to it in which he calls for a "new deal" in life insurance. He attacks, as the magazine puts it, "Excessive salaries for company officers, wide practice of giving soft and lucrative jobs to relatives, branching out into the banking business and other practices." Mr. Hughes attacks the

moratorium and obviously is one of those people nowadays that advocates a divorcement of all banking activities from life insurance. Messrs. Davis and Hughes are known to the fraternity as life insurance brokers.

Group Payments to Families

Beneficiaries of group policies are for the most part in the immediate family bracket, 84 percent of the beneficiaries of the Equitable Life of New York group policies in the first five months of this year being so situated, according to a statement by Vice-president W. J. Graham. In that period the Equitable paid about \$4,500,000 to beneficiaries of 2,237 group-insured employees. The average payment was \$1,959.

In the first years after group insurance was sold by the Equitable in 1911, the average payment was \$770. In 1922 it had risen to \$1,280 and now amounts to \$1,959. Of the group insured employees on whom death payments have been made from Jan. 1 to May 31 of this year, 46 percent left no other insurance; 28 percent left other insurance of \$1,000 or less.

Slane Stamp, Los Angeles, led the Union Central Life's field force last month with \$232,500 paid-for business.



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are available for new men with the Minnesota Mutual who are willing to study, accept direction and who can manage their own time.

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

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Life Insurance Independent

It is rather interesting to note that in the list of corporations submitted by FERDINAND PECORA, committee counsel in the senate investigation of J. P. MORGAN & Co., which purports to show those in which members of the banking firm serve on the board of directors and thus presumably have influence in determining investment policy, the names of no life insurance companies appear. In this list of 89 corporations there are six fire insurance companies but no life or casualty. Before the ARMSTRONG investigation it might have been possible to show more or less close affiliations of life in-

surance companies with investment houses but the life insurance companies are now conducted much more independently. Of course the life companies have to purchase their securities from some investment house and no doubt MORGAN & Co. and the other investment houses which are the subject of the PECORA investigation have sold the companies securities from time to time but it can not be said that this or that great insurance company is an affiliate in any way of any particular bank or investment house. The life insurance companies stand on their own feet.

Value of the Moratorium

PUBLIC support for the limited life insurance moratorium is stronger than some may realize. After all, the public owns the life insurance companies. The hopes of millions of families for comfort and security are centered in these institutions. Those who had the judgment, the foresight and thrift to put their savings for years into life insurance, who have sacrificed faithfully to pay their premiums, do not want life insurance wrecked on technicalities.

"I wonder if the company would give me the dividends I didn't use," remarked a policyholder. A defender of life insurance rather needlessly began to justify the restrictions. "Oh, certainly," said the policyholder, "we've got to save our life companies. I've paid for 17 years. But I wonder if they'd give me my dividends. I've got about \$100 I didn't use."

If the life men would realize that they themselves are rather out of the picture, that the funds in their care belong to the policyholders and the policyholders are determined to see them saved, there would be considerable less worrying about the restrictions on withdrawals. Why did the country take heart the moment the President shut down with the bank moratorium? Because the people realized it was their money he was protecting. The good sense of the country has recognized, far better than the life men themselves, that the limited restrictions are not even a substantial inconvenience to policyholders,

while they protect the life savings of the great majority against the panic or selfishness of the few.

The government is simply the people, and the companies are simply the policyholders. Life men are inclined too much to identify themselves as the proprietors, and the policyholders as the customers. The life men are simply hired men, put in charge of the huge sums assembled by the people for their own protection. Essentially there is no difference in this respect between stock and mutual. The stock company is an incorporated trustee, the mutual men are elected trustees.

The public, which thinks in realities, recognizes its own interest in the safety of the insurance companies, as well as in the safety of the banks. If the public had not supported the moratorium it could not have stood.

Individuals do not always think in realities. The argument is heard that "a contract is a contract" and must be literally fulfilled though the heavens fall. That is giving more importance to contracts than the courts give to them in normal times. The only legal penalty for breach of contract is damages arising from the breach, and the courts for ages have held that there are no damages from failure to pay money. But these are not normal times. The government has not been able to keep its own contracts. It is even declaring certain kinds of private contracts against public policy, namely, contracts

PERSONAL SIDE OF BUSINESS

H. M. Holderness, vice-president of the Connecticut Mutual in charge of agencies, has gone away for a period of relaxation and rest. He was two weeks in the Hartford hospital having some troublesome teeth looked after.

E. D. Shepherd, Sr., and E. D. Shepherd, Jr., well known Houston, Tex., life men, who have been appointed general agents of the Connecticut Mutual for southeastern Texas, are well known in the state and have already started organization work. They are located in the Esperson building. The elder Shepherd served as general agent of the Union Central for 29 years. The agency has \$25,000,000 life insurance in force. Mr. Shepherd, Sr., for five years has been a member of the Houston school board. He served three years as president of the Houston Life Underwriters Association. Shepherd, Jr., graduated from Rice Institute in 1925 and has been a personal producer, averaging \$300,000 a year.

Celebrating the 25th anniversary of H. M. Solenberger as general agent of the Mutual Benefit Life, the Springfield, Ill., agency held an all-day meeting concluding with a banquet. It was announced that the special effort put forth in Mr. Solenberger's honor in May resulted in 190 percent increase in paid business as compared with the same month a year ago.

Guests included several members of nearby Mutual Benefit agencies and two home office officials: Oliver Thurman, vice-president and superintendent of agencies, and Dr. C. P. Clark, medical director.

John T. Burford, a familiar figure in Chicago life insurance circles, died at King Old Men's Home in that city last week at the age of 81. He was an agent of the Illinois Life for many years. He brokered other lines of insurance. Mr. Burford was a militant figure, going to

for payment in gold coin. The President in effect proclaimed in his bank moratorium that the demand contracts of banks were against public policy.

Although a moratorium was new to this generation, the word is found in all dictionaries. It is an established and legal device. The Encyclopedia Britannica says: "A moratory law is usually passed in some special period of political or commercial stress;" and again, "Their international validity was discussed at length and upheld in Rouquette vs. Overman, 1875, Law Reports to Queen's Bench, 525." Thus an English court upheld a French moratorium.

The argument that "a contract is a contract" is not complete. It is inherent in all contracts that they are subject to law. This is so true that courts will read into them terms required by law, even though the terms are actually omitted.

Thus the technical argument is misdirected and without force. But the fundamental principle is that the public, which has the chief interest, heartily approves of the restrictions on useless withdrawals of cash and loan values. If the banks had been able to check runs by similar means the depression never would have reached the depths it went to. The limited moratorium, without preventing legitimate withdrawals of cash or loan values, stops runs which might develop a panic among policyholders about all life companies.

Chicago many years ago from Chattanooga to fight the management of the old Western Mutual Life of Chicago, an assessment company that was operated by Thomas and Birch F. Rhodus. Mr. Burford felt that grave injustice had been done to policyholders by the management and he remained in Chicago for a long time looking after the interests of those who were insured. This company was later taken over by the Illinois Life and he connected with the latter company.

W. F. Mackey, 49, district agent Northwestern Mutual Life, died at his home in Waukesha, Wis., after an extended illness. He first joined the Northwestern Mutual in September, 1911.

John A. McVoy, former president of the Central States Life of St. Louis, and his stepdaughter, Miss Dorothy Leggett, are convalescing at their home in St. Louis from injuries suffered in an automobile accident at Goshen, N. Y., recently.

Mr. McVoy suffered a fracture of his left leg and other injuries and Miss Leggett was severely cut on the forehead, when the McVoy automobile crashed into a tree.

J. S. Ireland, superintendent of agencies of the Sun Life, was a visitor in Chicago last week, addressing the agents of the branch managed by D. J. Scott, in an inspirational talk.

W. N. Johnson, 62, for four years deputy insurance commissioner of New Hampshire, died at his home in Suncook.

Elmer H. Dearth celebrated his 74th birthday at his home in Detroit last week. Mr. Dearth organized the General Casualty & Surety in Detroit in 1915. He was deputy insurance commissioner of Minnesota for three years and was general superintendent of the Equitable Life of New York for Minnesota and the Dakotas for a number of years.

R. A. Judd, Chicago general agent of the Phoenix Mutual, now is commuting between that city and Campbellsport, Wis., where he has a summer home. Mr. Judd took his family there last week where they will spend the summer.

Otto Veth, who is connected with the White & Odell home office agency of the Northwestern National Life in Minneapolis, has completed 12 years of weekly production. On this occasion he received a check for \$120 from the company, \$10 for each year membership in the App-A-Week club.

A. W. Wearn, for four years an agent of the Penn Mutual Life at Charlotte, N. C., connected with the O. F. Roddey agency, is now mayor of his city. He led the field of ten for city councilman, which resulted in his unanimous election as mayor by the other four councilmen. Heretofore he has been city treasurer and commissioner of public works.

Charles McCabe of Nashville, who has been appointed collector of internal revenue, served as president of the Cotton States Life from 1924 to 1929. He was commissioner of finance and taxation in Tennessee for three years.

Johnny Goodman, winner of the national open golf championship in Chicago, Saturday, is a life insurance man, and proposes to stick to his profession. He is general agent at Omaha for the National Thrift Assurance of that city. He has been for several years a protege of Peter Lyck, general manager of that company. Although but 23, he has won

a number of state and territorial championships, besides beating Bobby Jones in one national tournament and being runner-up in another. He is an alumnus of the University of Nebraska.

Three representatives of the Kansas City Life from Indiana, on the way to the home office, were injured, one critically, in a motor car accident near Odessa, Mo. L. B. Crabtree, 65, of Indianapolis, one of the company's outstanding producers, suffered a fractured neck and is in a Kansas City hospital now in a critical condition. Andrew Gunga, Gary, Ind., received cuts about the face and a cut tendon in his left hand. F. D. Brewster, Berne, Ind., suffered a cut chin and a severely bruised chest. Both are in the hospital.

Lee Herdman, insurance director of Nebraska, is still seriously ill at an Omaha hospital. His doctor reports that his physical condition is satisfac-

tory and that there has been no recurrence of heart troubles, which followed a cataract operation. An extremely nervous condition exists which keeps him delirious most of the time.

H. A. Behrens, president of the Continental Assurance and Continental Casualty of Chicago, plans to leave June 17 on his vacation, which will be spent at his summer place on an island he owns in San Francisco bay.

J. A. Melone, district agent for the Northwestern Mutual Life, Rochester, Minn., was reelected president of the Insurance Federation of Minnesota at its annual meeting in Minneapolis. E. W. Randall, chairman of the board of the Minnesota Mutual Life, was reelected a vice-president, representing life insurance. George W. Wells, Jr., secretary of the Northwestern National Life, is chairman of the legislative committee.

NEWS OF THE COMPANIES

Webster Life Is Reorganized

Entirely New Slate of Officers Announced for Des Moines Company
—J. P. Shoup President

DES MOINES, June 15.—The Webster Life has been completely reorganized with an entire change in home office personnel. Plans have been perfected for extending its field to transact business outside of Iowa. Heretofore it has operated only in this state. The home office is moved from 715 Fleming building to 718 Des Moines building.

J. P. Shoup, Sioux City, Ia., is the new president; O. D. Goodwin, Des Moines, is executive vice-president; O. C. Bauch, Des Moines, secretary, and E. G. Tripp, Mapleton, Ia., treasurer. All except Mr. Tripp are also new members of the board. Other new directors are Dr. W. B. Chase, Sr., medical director, and C. E. Wittenmeyer, Mapleton, Ia. F. G. Redfield, who has been acting secretary, will become assistant manager.

Mr. Goodwin, who becomes executive vice-president, formerly was for nine years field agency supervisor for the Farmers Union Mutual and Farmers Union Mutual Life of Des Moines.

The retiring officers are T. D. Carnahan, president; R. E. Heath, vice-president, and M. M. Carnahan, secretary-treasurer.

Mid-Continent Life Enters Its Year of Silver Jubilee

As the Mid-Continent Life of Oklahoma City will round out 25 years of successful existence next year, the company is carrying on a campaign offering prizes to agents who will write an application each week during the year. Prizes of silver articles of various kinds will be given in harmony with the silver anniversary. The first policy was issued June 24, 1910. Its home office was established at Muskogee. It later was moved to Oklahoma City. Secretary R. W. Reese was associated with the company when it started.

All-American Mutual Organized

James R. Graham and his associates have organized the All-American Mutual Benefit with offices at 221 South Fourth street, Springfield, Ill. It qualifies under the mutual benefit act of Illinois.

Jack Abbey, former secretary to Gov. L. L. Emerson, is president and Mr. Graham is vice-president and director of agencies. Mr. Graham plans to have a state-wide representation. He was formerly secretary of the Bankers Casualty of Springfield.

Hazen Aiken Has Resigned

Well Known Agency Man of Continental Casualty and Continental Assurance Quits Post

H. P. Aiken of Chicago, superintendent of agents of the Continental Assurance, has resigned. He will take a vacation before returning to the business in some capacity. Mr. Aiken is well known to the fraternity. He was formerly an agent in Detroit, writing a general line of business. He specialized on accident and health, placing his business with the Fidelity & Casualty. He became associated with the Continental Casualty and Continental Assurance some nine years ago. He was placed in charge of noncancellable accident and health production for the Continental Casualty in the beginning of 1925. He showed an increase right along and two years later was placed in charge of the commercial accident and health department. Two years later he became superintendent of agents for the Continental Assurance, serving in that position for four years. He continued to look after the noncancellable insurance department for both the Continental Casualty and Continental Assurance. Mr. Aiken is resourceful and enthusiastic in his work.

New Los Angeles Company

LOS ANGELES, June 15.—The Commonwealth Life is being organized here with A. Otis Birch, former president of the Great Republic Life, as president, and F. R. Heinick as secretary. Mr. Heinick was secretary and manager of the former People's Mutual Life a few years ago when the company was located in San Francisco. The Commonwealth Life has authorized capital of \$1,000,000, the par value of shares being \$10 each. It has been authorized to sell 25,000 shares at \$15 per share, providing paid-up capital of \$250,000 and a surplus of \$125,000, less 15 percent expense of selling stock.

Great Western's Deal

In a report last week of the application for appointment of a receiver for the Royal Union Life of Des Moines, the statement was erroneously made that in 1931 the Royal Union took over the health and accident business of the Great Western of Des Moines. The reverse of this is true. The Great Western took over the health and accident of the Royal Union.

Crowl Is C. L. U. Speaker

Ralph S. Crowl, life insurance sales consultant, talked on "Making Sales in 1933" at the June meeting of the Indianapolis C. L. U. chapter.

AN ARROW TO ITS MARK

LIFE INSURANCE FLIES UNERRINGLY TO THE RESCUE OF MANKIND WHEN HELP IS MOST DIFFICULT TO OBTAIN ELSEWHERE AND WHEN AID IS MORE SORELY NEEDED THAN AT ANY OTHER MOMENT IN LIFE. PICTURE A FRIEND—QUIET, UNOBTRUSIVE, ALMOST UNAPPRECIATED—WHO STANDS IMPASSIVELY BY WHILE THE FRUITFUL POWERS OF MANHOOD EARN ALL THAT IS ESSENTIAL TO HAPPINESS, AND THEN—WHEN THE STORMS OF OLD AGE OR DEATH DRIVE AWAY LIKE STRAWS THE NORMAL SUPPORTS OF EXISTENCE AND ONE STANDS DESOLATE, EMPTY-HANDED, AND FORSAKEN—RUSHES INSTANTLY FORWARD TO BEAR THE BURDEN WHICH IS SO SUDDELY IMPOSED IN DEED A FRIEND!

TRUTHFULLY CAN IT BE SAID THAT LIFE INSURANCE SERVES BEST WHEN ALL ELSE IS AT ITS WORST: THAT ITS FULL VALUE IS NEVER REACHED UNTIL OTHER VALUES HAVE DEPRECIATED OR VANISHED.

AMERICAN CENTRAL LIFE

INSURANCE COMPANY

INDIANAPOLIS, IND.



WHEN YOU SELL LIFE INSURANCE SELL PROTECTED CHILDHOOD

In thousands of cases, Life Insurance makes all the difference between a happy childhood and a childhood of misery and fear. It makes the difference between a college education and a job at sixteen. If all fathers understood—wouldn't it be easier to

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INDUSTRIAL—INTERMEDIATE

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OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

Ordinary — Group

"A Good Company To Represent
—Represent a Good Company"

PENNSYLVANIA

CONNECTICUT

LIFE AGENCY CHANGES

Important Men Are Secured

Guarantee Mutual Life Announces Appointment of Managers in Iowa and Florida

C. R. Fischer of Des Moines, for many years a banker and for the past three years superintendent of securities of Iowa, has been appointed Iowa manager for the Guarantee Mutual Life of Omaha. He will have charge of all agencies in the state, with the exception of 19 counties adjacent to Council Bluffs and four in the vicinity of Davenport. He has opened an office in Des Moines at 538 Des Moines building.

C. F. Core of Jacksonville is appointed Florida manager. He has opened an office at 508 Greenleaf building, Jacksonville. For several years he has been a member of the staff of a Jacksonville high school. He has had considerable experience in life insurance sales work, however, as a part-time agent during the summer vacation periods.

M. M. Waddle & Son of Los Angeles, formerly southern California managers for the United Mutual Life, have been appointed general agents in southern California. Wade Siler, southern California manager, has moved the Los Angeles branch office to larger quarters at 805-10 Foreman building, where the Waddle general agency will maintain headquarters.

Nathan Bushnell, Jr.

Nathan Bushnell, Jr., general agent at Richmond, Va., of the Jefferson Standard Life for the past ten years, has resigned to join the Prudential in that city under T. P. Reynolds, general agent. He was with the Equitable of New York for some time in Richmond before going with the Jefferson Standard. He has just completed a term as president of the Richmond Association of Life Underwriters.

John E. Davis

John E. Davis, Cincinnati general agent of the State Mutual Life, has resigned as of July 6. Mr. Davis has had a successful career in life insurance, having started with the Connecticut General as agency secretary at Pittsburgh in 1924. He then became district manager of the company and later became a personal producer for the Massachusetts Mutual in Pittsburgh, resigning there to become general agent of the State Mutual in Cincinnati. He has not yet announced his new connection.

Ford & Autrey

Ford & Autrey have been appointed district managers in north Alabama for the Lamar Life, with headquarters in Birmingham. Mr. Ford, formerly a special agent of the home office agency, recently took over the Birmingham district as manager. B. P. Autrey was formerly with the Pan-American Birmingham agency.

P. J. Myatt, W. T. Yeckley

Paul J. Myatt, formerly general agent for the Bankers Reserve Life at Richmond, Va., has been appointed general agent for the Midland Mutual there. W. T. Yeckley, formerly of the Edward A. Woods Agency of the Equitable of New York in Pittsburgh, has been appointed general agent for the Midland Mutual at Altoona, Pa.

Fred H. Brown

Fred H. Brown, for the past seven years special agent for the Missouri State Life in Des Moines, has been appointed general agent there for the Provident Life & Accident, with offices in the Royal Union Life building.

Kramer Gets Ohio National

Well Known Bankers Reserve Manager at Erie Duplicates Territory for Cincinnati Company

The Fred E. Kramer agencies with headquarters in the Commerce building at Erie, Pa., have been appointed gen-



FRED E. KRAMER

eral agents of the Ohio National Life for north central Pennsylvania and eastern Ohio. Fred E. Kramer has 68 associates. His office has been manager of the Bankers Reserve Life of Omaha for the last 10 years. During the last five years the Kramer agencies have led the entire country in volume of business. The Ohio National Life recently absorbed the Bankers Reserve Life. Mr. Kramer has a thoroughly trained organization. It is one of the largest general agencies in Pennsylvania and this makes it leader in volume for the Ohio National.

Mr. Kramer, before entering life insurance, was connected with the legal department of the New York Central railroad. E. C. Wills, now vice-president of the Liberty Life of Topeka, was formerly agency director for the Bankers Reserve Life. He induced Mr. Kramer in 1922 to take a general agency of the Bankers Reserve Life. Following Mr. Wills' transfer to the Liberty Life, President W. G. Preston of the Bankers Reserve, R. E. Irish, now vice-president of the Central Life of Chicago, who was agency director of the Bankers Reserve; J. R. Farney, vice-president and agency director of the Bankers Reserve, and W. G. Preston, Jr., vice-president of the Bankers Reserve, now assistant treasurer of the Ohio National Life, have closely cooperated with Mr. Kramer in building up the business.

T. A. James

T. A. James, Ashland, Ky., for 17 years representative of the Inter-Southern Life, has been appointed general agent by the Penn Mutual Life. He will cover a large section including all of eastern Kentucky.

Charles Rosenberg

Charles Rosenberg has been appointed general agent of the Brooklyn National Life at Hackensack, N. J. He has been in life insurance work for nearly 21 years.

H. J. Foelber, R. C. Blessing

H. E. Nyhart, Indiana manager Connecticut General, has appointed H. J.

Foelber and R. C. Blessing unit managers. Mr. Foelber will have offices at 1035 Lincoln Bank Tower, Fort Wayne. Mr. Blessing will have offices in the general agency at 1121 Meyer-Kiser Bank building, Indianapolis.

A. P. Cunningham

The Continental Life of St. Louis has appointed A. P. Cunningham, who operates a general insurance agency there, as general agent at Dallas, Tex., with offices in the Gulf States Security Life building.

C. A. King, R. H. Smith

C. A. King has resigned as San Antonio, Tex., manager for the Life of Virginia. He will be succeeded by R. H. Smith, who has been a supervisor in Texas for the past two years.

Life Agency Notes

Carl Kelly has been appointed district manager for the Equitable Life of New York in central Mississippi, with headquarters in Jackson.

Single Premium Policies, Inc., Chicago, offering blindness policies underwritten by the Lincoln National Life, has appointed **H. L. Bickel**, Milwaukee, as Wisconsin general agent.

J. D. Kerr has been appointed general agent of the Great American Life of San Antonio at Fort Worth, Tex., with offices in the Sinclair building.

C. E. Hurst, for 10 years general agent at Charlotte, N. C., for the Pilot Life, has become district manager of the Penn Mutual Life, with headquarters at Sumter, S. C. He was a former president of the Charlotte Life Underwriters Association.



Reduce Cost of Accident Insurance by Omitting Non-Essentials

By omitting non-essentials such as double indemnity and income for partial disability we can furnish all the other benefits of standard reimbursement accident insurance at a reduced cost.

Our new contracts make it possible to purchase reimbursement insurance in adequate amounts at minimum cost. For details call our local office.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

LIFE COMPANY CONVENTIONS

Plan Northwestern Gathering

Agents Association to Meet at Milwaukee June 24-25—Intensive Program Is Announced

MILWAUKEE, June 15.—Fundamentals of life insurance selling as applied to conditions in 1933 will be discussed and dramatized by outstanding and successful agents of the Northwestern Mutual Life at the Association of Agents' annual meeting here June 24-26.

C. H. Poindexter, president of the association, will preside at the opening session. Michael J. Cleary, president of the company, will present his annual message. Luncheon meetings will be held by general, district, special and soliciting agents and supervisors.

Emery Mangold, Wausau, Wis., will preside at the district agents' meeting and the speakers will be E. J. Kersting, Clarksburg, W. Va., F. C. Repas, Waterloo, Ia., R. B. Kinningham, Danville, Ill., and S. L. Youngquist, Knoxville, Ill.

Sales Clinics to Be Held

J. T. Gallagher, superintendent of claims, will talk on "The Human Interest in Settlements," at the special and soliciting agents' meeting, of which Edwin Gould, Omaha, will be chairman.

A. M. Smith, Dribble Agency, Cleveland, will be chairman of the supervisors luncheon and the speakers will be Calvin Ponting, Minneapolis; A. J. Johannsen, Chicago; Harry Krueger, New York City; Philip Baldwin, Washington; Hector Dobbs, Chicago, and A. N. Smith, Cleveland.

Sales clinics for agents holding contracts for three years or less will be conducted Monday afternoon under the chairmanship of Henry Files, Cedar Rapids, Ia. Clinic leaders will be W. S. Allen, New York City; Normal Hill, St. Louis; George Kutcher, New York City; Nathan Burghelm, St. Louis; John Binns, Newark, N. J.; Dr. Frank Moxon; V. E. White, Cedar Rapids, Ia.; Arthur Hoene, Duluth, Minn.; Maurice Koch, Cincinnati; and Lyle O'Connor, Oshkosh, Wis.

Axelton C. L. U. Chairman

H. L. Cramer, South Bend, Ind., will preside at the general business session Tuesday morning, the theme being "Prospecting." Herman Duval, New York City, will talk and a demonstration will be given by members of the Washington, D. C. general agency. The quiz on proof will be led by J. F. Habegger, Seattle, Wash. Another theme will be "Planning and Mental Adjustment," the solution being handled by John Todd, Minneapolis.

C. F. Axelton, Chicago, will be chairman of the C. L. U. luncheon Tuesday noon.

Mechanics of selling will be continued at the afternoon general session, E. H. Earley, Brooklyn, chairman. The solu-

tion will be presented by Charles R. Eckert, Columbus.

Divided sessions will be held during the afternoon. F. R. Olsen, Minneapolis, will be chairman of the metropolitan agents' meeting. L. L. Erickson, St. Paul; Charles Stapleton, Brooklyn, and Richard Hefter, Chicago, will talk.

Ralph Theisen, Lincoln, Neb., will be chairman of the small communities and rural session. Sterling Youngquist, Knoxville, Ill.; Blaine Peck, Mt. Carroll, Ill.; Herman Fricke, Omaha, Neb., will take part.

Fred W. Sargent, president Chicago & Northwestern Railway and a Northwestern Mutual trustee, will be the principal speaker at the annual banquet Tuesday night. Ralph M. Hamburger, Minneapolis, will be chairman.

The final session Wednesday morning will be presided over by Ben S. McGiveran, Eau Claire, Wis. The theme "Mental Attitude" will be presented in a discussion on "Debate" by T. A. Peyser, New York City, million dollar producer of the McMillen agency and member of Congress, and R. S. Goldsberry, Pittsburgh.

Macaulay Club of Sun Life Holds Convention June 27-30

The annual convention of the Macaulay club of the Sun Life of Canada will be held June 27-30 at St. Andrews-by-the-Sea, New Brunswick. It is expected that as usual President T. B. Macaulay will attend and address the agents as well as Vice-president Arthur B. Wood, E. A. McNutt, vice-president and treasurer, and George W. Harris, supervisor of the field service bureau.

There will be presentation of the Macaulay club awards. Representatives from a number of the foreign agencies throughout the world will attend. Vice-president Wood has been attending the annual meeting of the British contingent of the Macaulay club held in Scotland.

Grant at Indianapolis Meet

Over 100 leading producers of the Business Men's Assurance from four states, Indiana, Illinois, Michigan and Ohio, met with President W. T. Grant and other home office officials in a two-day sales conference at Indianapolis.

Ohio State's Regional Meetings

The Ohio State Life is holding regional agency meetings at Huntington, W. Va., June 16 and at Dayton, O., June 20. The Huntington meeting will be attended by agents from Charleston, Huntington, Ashland, Ky., Portsmouth, O., Chillicothe, O., and Logan, W. Va. The Dayton meeting will be attended by representatives of the Cincinnati, Dayton, Hamilton and Springfield agencies.

The Michigan Life is holding a convention for its Michigan agents at Frankenmuth, June 17.

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

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President

New York, N. Y.
GEORGE K. SARGENT
Vice-President and
Manager of Agencies

AS SEEN FROM CHICAGO

INSURING FAIR VISITORS

The Illinois Bankers Life of Monmouth, Ill., proposed to the world fair officials an arrangement for issuing a restricted \$500 life insurance policy to all fair visitors. So far as could be learned, the proposal has not been accepted. The benefits would be paid only for death resulting from an accident suf-

fered on the world fair grounds, provided not more than two persons were injured in the accident and provided the visitor entered the grounds walking. There would be no charge for the policies, the Illinois Bankers Life proposing to pay the death claims and get reimbursement from the world fair at the end of the season for the amount actu-

SERVICE LIFE INSURANCE COMPANY

Exceedingly liberal contracts are offered to reputable and responsible agents. An unusual agency proposition is extended in districts where the company is not now represented.

For information write
JOHN A. FARBER
Executive Vice-President

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A THRIFT Certificate with Payments Insured
in the event of Death of Certificate Holder
12 Years Matures \$1,000.00 Contract at \$4.75 per Month

Loan, Cash and Paid Up Values After One Year
Valuable General Agencies Available in Illinois

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SEE THE WORLD'S FAIR

DIRECT BUS TRANSPORTATION

The Bismarck Hotel is in the heart of Chicago... next door to theatres, shops, and banks... a few minutes from the World's Fair grounds.

Walnut Room, Bierstube, and Coffee Shop delightfully air-cooled. Comfortable rooms with wide beds, silent mail signals, circulating ice-water. Garage service. All outside rooms \$3.50 up, without bath \$2.50.

Write for map of Chicago and Fair Grounds.

BISMARCK HOTEL
OTTO K. EITEL
MANAGER **CHICAGO** RANDOLPH
AT LA SALLE

ally expended. It would be merely an advertising feature for the Illinois Bankers Life.

The fair officials are reported to have frowned on the plan, feeling that the fair should not go into the insurance business, that many persons might think that the policies were more liberal and disputes would arise, and that the passing out of insurance policies would create the impression among visitors that hazard existed in the fair.

HINTZPETER'S 59TH BIRTHDAY

H. C. Hintzpeter, general agent of the Mutual Life of New York in Chicago, was tendered a dinner June 14 by his agents and staff, in celebration of his 59th birthday. The evening was devoted to entertainment and jollification. Mr. Hintzpeter was born June 5, 1874. His record is unusual in that he has been a life insurance man 44 years, entirely with the Mutual of New York and all in Chicago. He started with Manager C. H. Ferguson, who died nearly a quarter century ago, as office boy.

LAW RECODIFICATION MOVE STARTS

Superintendent Palmer of Illinois finally succeeded in getting the insurance law recodification bill out on the floor of the legislature after it had been held in the senate insurance committee for some time. He requested action be taken and the bill was introduced in the house. It calls for a temporary commission, three from the house and two

from the senate, to work with the insurance department in revising present laws and drafting necessary amendments and new laws. The bill is on second reading. It is reported pressure was brought to move a number of insurance measures held up in the senate committee and nine were reported out favorably. One was the bill to create a separate department, passed by the house. The house advanced the anti-rebate and anti-twist bill affecting life insurance, and also the agents' and brokers' licensing and qualification bills. Another bill to abolish the department of trade of commerce which now directs the insurance department, and to set up a separate insurance department went to third reading. A bill to require safety glass on all automobiles sold after Jan. 1 was passed by the senate and went to the house. A bill to permit domestic stock life companies of Illinois to mutualize was passed by the house and went to the senate insurance committee.

OUTING FOR SPAULDING AGENCY

The Spaulding agency of the Mutual Life of New York in Chicago will hold its annual golf tournament and field day July 26 at the Biltmore Country Club. Participation in the "doings" will depend upon individual production during June and July. Manager Spaulding reports paid-for business in his agency 20 percent ahead of the first five months of 1932.

PACIFIC COAST AND MOUNTAIN

Montgomery with Kelloway

Missouri State Life Manager Resigns to Be Co-General Agent of State Mutual

SAN FRANCISCO, June 15.—Harry V. Montgomery, manager Missouri State Life in San Francisco for four years, is resigning to join the State Mutual Life under a partnership general agency at San Francisco with E. A. Kelloway. Mr. Montgomery became associated with the Missouri State at its home office in 1922, where he served as assistant secretary for two years. He was later made supervisor of agencies, which office he filled for two years, later going to Seattle as manager. After two years in Seattle he came to San Francisco.

E. A. Kelloway has been in the life business for ten years and won a reputation as a personal producer prior to becoming general agent of the State Mutual Life in 1931. The new general agency is taking larger quarters in the Standard Oil building.

Seattle Managers Elect

Paul R. Green, Seattle manager of the Aetna Life, has been elected president of the Life Managers Association of Western Washington. J. C. Hazlett, city supervisor Northern Life, was made vice-president and J. F. La Plant, Seattle manager Metropolitan Life, secretary-treasurer. J. P. Mulder, manager Mutual Life of New York, is retiring president.

Hammond Sponsors Radio Skit

LOS ANGELES, June 15.—Wilmer M. Hammond, southern California general agent of the Aetna Life, and his associates are sponsoring a radio drama of home life under the title of "An American Family," over station KFWB.

Kingsley on Coast

LOS ANGELES, June 15.—W. H. Kingsley, vice-president Penn Mutual Life, accompanied by Mrs. Kingsley, visited here on a trip to the Pacific Coast agencies. Mr. Kingsley addressed a meeting of the agents and discussed

the company's investments in southern California.

Fresno on Branch Basis

The Occidental Life of Los Angeles is changing its general agency at Fresno, Cal., to a branch office. A. C. Leshner has been general agent. G. J. Hartman has been made manager. He was formerly division manager of the company's thrift department in northern California.

Fuller on Coast Trip

Ray E. Fuller, assistant secretary of agencies Equitable Life of Iowa, is on tour of inspection of western agencies, which will take him to San Diego, Los Angeles, San Francisco, Oakland, Portland, Seattle, Denver and Loveland, Colo.

Discuss Security Frauds

"Security Racketeers and Typical Stock Frauds" was the subject of the San Francisco General Agents & Managers Association's meeting. Fred Kerman of the state's division of corporations spoke.

J. N. Anderson Is Manager

The Life of Virginia has appointed J. N. Anderson Baltimore manager. He succeeds the firm of Anderson & Ridgely, of which he was a member.

Berkshire's Iowa Meeting

Iowa agents of the Berkshire Life attended an agency meeting in Des Moines. Home office officials present were H. L. Amber, vice-president; Dr. Frank Harnden, medical director, and L. B. Hendershot, manager of agencies. The sessions were in charge of A. H. Peterson, Des Moines general agent. E. A. Turner, general agent at Davenport, also was present.

Huebner to Speak in Indianapolis

Dr. S. S. Huebner, University of Pennsylvania, will address the Indianapolis C. L. U. chapter July 15.

The Johnston & Clark general agency of the Mutual Benefit in Detroit has opened a brokerage department with Emory Farnell as manager.

NEWS OF LIFE ASSOCIATIONS

Richmond Association Elects

H. R. Hill, Life of Virginia, Is New President—Wade H. Heavey, Equitable Field Instructor, Speaks

RICHMOND, VA., June 15.—New officers of the Richmond Association of Life Underwriters, elected at the annual meeting, are: H. R. Hill, Life of Virginia, president; W. M. Brooks, Sun Life, and P. B. McGruder, Metropolitan, vice-presidents; H. D. Goldman, Northwestern Mutual, secretary-treasurer. Nathan Bushnell, Jr., retiring president, was elected national committeeman. He also heads the new executive committee. Other members of that committee, which includes the new officers, are H. R. Hill, W. M. Brooks, P. B. McGruder, H. D. Goldman, C. W. Phillips, Linwood Butterworth, Spiller Hicks and R. P. Harrison.

Wade H. Heavey, field instructor Equitable of New York, spoke on "Are You Organized to Be in Business?" He said 80 percent of life insurance is written by 20 percent of the men in business. He discouraged the idea of looking for big cases. In the end, the average sized case will bring better results, he said.

* * *

Missouri Association Is Making Marked Progress

The Missouri State Association of Life Underwriters has sponsored the organization of the Jefferson City association with the following officers: President, G. E. Hackmann, Guardian Life; vice-president, R. W. Hammond, Sun Life of Canada; secretary, Edward Adams, Metropolitan Life, and treasurer, Harry Roland, New York Life.

Since formation in April of the state association new associations also have been formed in Columbia and Joplin. The state association will meet in Columbia June 17. After a short business session, Frank M. See, St. Louis general agent New England Mutual, will talk on "Closing." Chester O. Fischer, president of the Missouri association, will preside. A golf tournament will be held in the afternoon.

* * *

Bill for State-Regulated Association Fails to Pass

LANSING, MICH., June 15.—All possibility of adoption by the legislature of the bill to create an incorporated state life underwriters' organization for self-regulatory purposes vanished when the measure, once reported favorably by the house insurance committee, failed to emerge again after its recall to the committee. It is understood that leading agents who had conceived the plan with departmental approval considered it impossible to obtain its passage in the brief time remaining before adjournment and authorized its withdrawal in order that there would be no possibility of either house disapproving it.

* * *

Cleveland.—In a talk John M. Holcombe, Jr., manager Life Insurance Sales Research Bureau, voiced considerable optimism for the future.

A special meeting has been called for June 29 to hear Dr. S. S. Huebner, dean American College of Life Underwriters.

* * *

Northern New Jersey.—At the annual meeting in Newark, H. C. Lawrence, general agent Lincoln National Life, was elected president. Other new officers are: First vice-president, L. G. Rude, Mutual Benefit Life; second vice-president, C. J. Zimmerman, Connecticut Mutual Life; secretary, F. W. Henson, Provident Mutual Life. John Binns, Northwestern Mutual Life, was reelected treas-

urer. The executive committee, in addition to the officers, includes J. E. Clayton, E. D. Finch, Jr., W. H. Kee, A. W. Olson and L. G. Rude. The annual all day sales congress will be held June 21.

* * *

Watertown, S. D.—J. E. Walseth was elected president of the Watertown district association; A. R. Ferguson, vice-president; C. H. Werring, secretary; E. E. Kneedy, assistant secretary. Thomas C. Murphy is chairman of the executive committee, the other members being Messrs. Ferguson, Kneedy, Walseth and H. J. Feuling. The Watertown association is beginning to make preparations to entertain at a state sales congress some time in October.

* * *

Colorado.—Glen A. McTaggart, Denver Prudential manager, was elected president at the annual meeting. Other new officers are: H. D. Reisa, Denver, Mutual Life; L. F. Robbins, Fort Collins, Franklin Life, and William Birney, Pueblo, Equitable of New York, vice-presidents; P. S. Jolley, Denver, Travelers, secretary-treasurer, and J. E. Robinson, Denver, New York Life, chairman executive committee.

Lester O. Schriver, Peoria, Ill., general agent Aetna Life, spoke on "The Philosophy of a Pragmatist."

* * *

Tampa, Fla.—Albert Litschgi, Equitable Life of New York, has been elected president; T. C. Cross, Prudential, vice-president; G. P. Cannon, Mutual Life of New York, secretary.

The special committee on trend of life insurance sales in south Florida reported that paid business the first five months of 1933 was 9 percent ahead of the same period last year; first year premiums 20 percent ahead and number of cases 7 percent ahead.

* * *

Oklahoma City.—E. W. Marshall, general agent Bankers Life of Iowa, was elected president; Bryan Bowers, Home State Life, vice-president; Guy Goldstandt, Equitable of New York, treasurer; Miss Pearl Easley, Massachusetts Mutual, secretary, and Homer Jamison, state manager Equitable of New York, national executive committeeman.

On motion of C. C. Day of Pacific Mutual, T. M. Riehle, Equitable Life, New York City, was endorsed for president of the National association. The association favors modernizing the by-laws, and is not in favor of the idea of succession in selecting officials.

* * *

Mississippi (Jackson).—H. M. Fraser, Penn Mutual, was elected president; J. F. Bayley, Metropolitan, and T. B. Abernathy, Mutual Benefit, vice-presidents; C. E. Stevens, Columbian Mutual, secretary-treasurer; Vernon Holleman, Home Life of New York, Rutledge Dees, Mutual Life; E. H. Hix, Mutual Benefit; Rex B. Magee, Lamar Life, and Alvin Doty, Standard Life, executive committeeman.

* * *

Birmingham, Ala.—The annual meeting will be held June 16. Fred Chisholm, manager, New England Mutual, is the retiring president.

* * *

Southwest Texas (San Antonio).—L. C. Bradley, vice-president and agency manager Fidelity Union Life, Dallas, spoke on "Our Ideas Determine What We Are." He stressed the thought that the salesman has it within his power to be the kind of salesman he desires to be and that the wise man moves himself through his own thoughts. This he says is true because "you must think your way out before you work your way out."

* * *

Milwaukee.—O. Sam Cummings, Dallas Tex., state manager Kansas City Life and president of the Texas association, spoke June 15. He is also a trustee of the National association and a director of the American College of Life Underwriters.

Due to vacancies in the offices of second vice-president and of secretary, the nominating committee recommends the election of Leo Roethig, Metropolitan Life, as second vice-president and Ray Collins, Security Mutual, as secretary.

* * *

Lafayette, Ind.—W. W. Fleming has been elected president; L. M. Carr, vice-president, and Hollis May, secretary. The new executive board is composed of



PURE PROTECTION LIFE INSURANCE

Estimated Average Annual Cost for Whole Life Policy over Period of Twenty Years based on Actual Experience Past Ten Years.

Age 35—\$15.38

Per \$1,000 of insurance
Reduced to this figure by an earned dividend.

No Cash Demand Liabilities
except advance premium payments

Excellent Opportunity for Salesmen
Operating in Illinois, Michigan, Indiana and Missouri.

INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance
Ten East Pearson Street CHICAGO Phone Superior 1714

Opportunity for managers in Desirable Territory

FOR qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President
Columbia Life Insurance Co.
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Send 9 cents in stamps for sample copy of
THE ACCIDENT & HEALTH REVIEW
The only exclusive accident and health paper.
It gives ideas and suggestions that help you
sell income protection insurance.
Address A-1948, Insurance Exchange, Chicago.

M. S. Compton, E. A. Kamp, George Brown, A. L. Pyke, C. D. Harbaugh and J. L. Heffner.

Ottumwa, Ia.—First annual sales congress sponsored by the Ottumwa association was attended by insurance men from southern Iowa. Principal speaker at the banquet was Mrs. Walter Sherman Pritchard, New York City, of the American family department, National Association of Life Underwriters. During the afternoon, C. S. Harper of this city spoke as did C. E. Brown, Des Moines, manager for the Mutual Life of New York; M. L. Seltzer, Des Moines, general agent Aetna Life; Earl Smith, Des Moines, educational director of the Equitable Life of Iowa; Paul Otto, Davenport, general agent Connecticut Mutual; Karl E. Madden, Davenport, general agent Penn Mutual; and J. F. Kerfoot of this city.

New York City—The New York City association held its annual meeting this week. The new president, F. J. Mulligan, and other officers and executive

committee members nominated at the previous meeting were formally elected.

Fort Dodge, Ia.—C. E. Brown, Des Moines, Iowa, manager Mutual Life of New York, spoke.

San Francisco—The second in the series of joint Monday morning meetings will be held June 26. The program will be in charge of one agency.

Fresno, Cal.—Arthur S. Holman, Travelers manager in San Francisco, and vice-president National association, spoke last week.

Fort Wayne, Ind.—Officers will be elected June 22. Nominees are: For president, J. L. Mueller; vice-president, E. F. Brinkman; secretary, Zura Z. Brown; treasurer, James R. Geiger; directors, Hollis Logue and Paul Knothe.

The Ft. Dodge agency of the Central Life of Iowa, D. P. Smith, supervisor, held a round table meeting led by G. T. Carlin, educational director, home office.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Tells About New Contract

President National Aid Life of Springfield, Ill., Explains Features of Its Policy

A. C. Littlejohn, president of the National Aid Life of Springfield, Ill., the new legal reserve company just licensed, announces that it will limit its activities for the present to one type of policy which he thinks fits present day needs. Mr. Littlejohn operated the National Aid Society under the Illinois mutual benefit act that wrote last year 45,000 new certificates. The legal reserve policy embodies practically all the features of the aid society certificates. Members of the old society who are eligible will be given an opportunity to take a policy in the new company.

The new contract does not provide cash or loan values or extended insurance until age 60 and from then on it becomes ordinary life. The National Aid Life new contract is marketed at a rate sufficiently attractive to compete with the mutual benefit certificates. They run from \$12 to \$15 a year. Age limits on the new policy extend five to 60 years and no medical examination is required. The National Aid Life has deposited \$100,000 in federal government bonds with the Illinois department. President Littlejohn finds that many agents can sell National Aid Life

contracts either on a part or whole time basis without difficulty.

Phoenix Mutuals' Dividend Scale Is Effective July 1

The Phoenix Mutuals' adjusted dividend scale goes in force July 1. Due to the assumption of an interest factor of 4½ percent, it was found necessary to change individual dividends, but no change was made in the total amount of dividends to be distributed. In some cases, the dividend on the new scale payable after July 1 is greater than in the old scale. It is said there are few instances in which the dividend received after July 1 will be less than the preceding one. The scale is predicated upon continuation on the new basis.

Interest rate for dividend accumulations, premium deposit funds and funds left under settlement options at anniversary on and after July 1 is 4½ percent.

A comparison of the old and new dividends follows:

3½ Percent Policies—S. S. Annual Life

	1	5	10	20
Age 30—				
New	\$2.49	\$2.90	\$3.52	\$3.83
Old	2.18	2.56	3.48	3.98

Age 40—				
New	2.97	3.07	3.30	4.13
Old	2.60	2.78	3.49	4.47

Age 50—				
New	2.42	2.71	3.36	5.78
Old	2.33	2.75	3.79	5.96

S. S. 20 Premium

Age 30—				
New	2.39	3.05	4.03	5.66
Old	2.06	2.66	3.92	5.53

Age 40—				
New	2.87	3.23	3.90	6.36
Old	2.48	2.88	3.98	6.26

Age 50—				
New	2.34	2.88	3.96	7.96
Old	2.24	2.86	4.25	7.63

Retirement Income at 65

Age 30—				
New	2.41	3.04	3.97	5.43
Old	2.08	2.65	3.86	5.34

Age 40—				
New	2.80	3.37	4.40	8.21
Old	2.38	2.97	4.37	7.74

Age 50—				
New	1.99	3.69	6.85	11.54
Old	1.79	3.38	6.46	10.47

3 Percent Policies—Annual Life

Age 30—				
New	1	5	10	20
Old	4.76	5.42	6.39	7.57

Age 40—				
New	4.82	5.38	6.53	7.73
Old	6.03	6.50	7.26	9.24

Age 50—				
New	6.15	6.61	7.72	9.57
Old	6.91	7.75	9.12	12.98

Age 30—				
New	7.49	8.34	9.92	13.16
Old	6.91	7.75	9.12	12.98

20 Premium Life

Age 30—				
New	4.80	5.95	7.63	11.07
Old	4.96	5.94	7.74	10.72

Age 40—				
New	6.09	7.03	8.56	13.12
Old	6.26	7.13	8.87	12.74

Age 50—				
New	6.94	8.19	10.25	16.56
Old	7.55	8.73	10.86	15.97

An Exclusive Life Policy

Which Fits Present Day Needs

—Old Line Legal Reserve Policy

—Same Low Premium Regardless of Age

—No Medical Examination

—Age Limits 5 to 60

—Premium Cost only \$1 Month

—\$5 profit on a \$6 sale

Everyone between the ages of 5 and 60 is a prospect for National Aid Life's unusual exclusive OLD LINE LEGAL RESERVE LIFE POLICY. It eliminates the high rate for older persons, the small premium of \$1 a month being the same for every policyholder regardless of his age.

\$100,000.00

in U. S. Government Bonds
Backs All Policies

In addition to the protection offered by its established policyholders, National Aid Life is today backed by a deposit of \$100,000.00 U. S. Government Bonds held as security by the state, to insure full payment of every just claim.

Think of offering your customer a life policy in an Old Line Legal Reserve Company at this amazing low



cost—a contract that pays cash benefits up to \$1,000 for death, that contains convertibility clauses, income for life, and other features of policies costing many times as much.

National Aid Life's unusual new policy provides for cash or loan values or extended insurance when policyholder reaches the age of 60 at which time the policy becomes ordinary life.

Surely any salesman familiar with life insurance can sell this policy. Here is a real opportunity for making money. Mail the handy coupon today for Free details and complete selling equipment.

NATIONAL AID LIFE

A. C. Littlejohn, Pres.

DEPT. 61, SPRINGFIELD, ILLINOIS

National Aid Life, MAIL THIS NOW

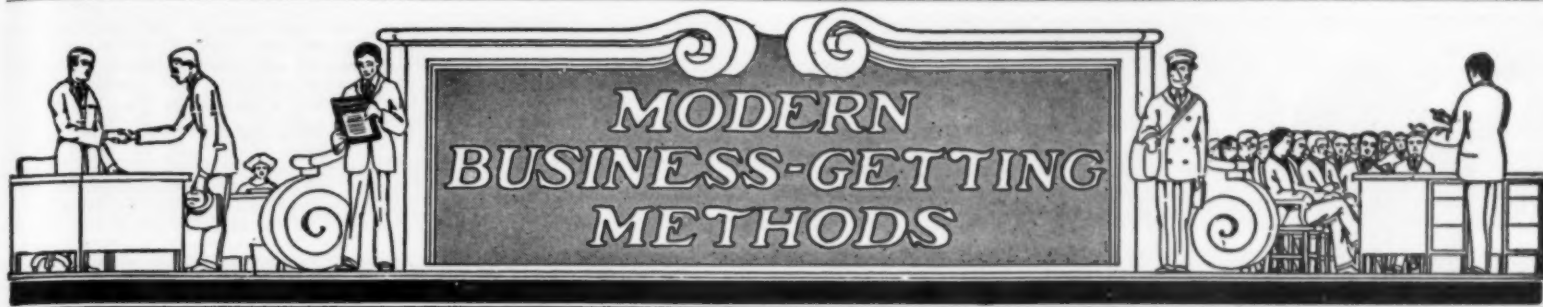
Dept. 61
Springfield, Illinois

Please Rush Complete Starting outfit and complete details, all Free by Return Mail.

Name

Address

City..... State.....



Detailed Time Control Plan Brings Agents Many Prospects

Agents can go out this summer with correct mental attitude and apply themselves industriously and intelligently to a definite sales program embodying time control and make substantial progress on the way to recovery from the depression by fall, C. D. Connell, general agent of the Provident Mutual in New York City, said in a talk on "Time Control" at the summer sales congress of the Pittsburgh (Pa.) Life Underwriters Association.

Mr. Connell said some months ago he outlined to his agency staff what he believed to be the three most important factors to bear in mind this year: Prospecting, time control and presentation, oral and written, their importance being in the order given.

Abandoned Volume Quota for Daily Accomplishment

Mr. Connell concluded last December that what was most needed was not so much a volume and premium quota as one of accomplishment by the day, week and month. Individual conferences with 31 men, in less than 30 days followed. Mr. Connell went over with each agent a data sheet containing the following information for each of the three depression years, 1930, 1931 and 1932:

(1) Volume of business produced, (2) amount of premium, (3) amount of first year commissions actually paid, (4) amount of renewal commissions actually paid, (5) average size policy, (6) number of lives insured. Each agent was asked how much money was necessary to maintain him as well as last year. From this gross figure was deducted amount of renewals the agent reasonably could expect judging from previous years and applying a rather high lapse rate; and also any private income. The net figure was first year commissions the agent must earn this year.

Number of Lives Paid for Important Factor

From these factors it was a simple matter to determine the volume necessary. An important factor, however, was the number of lives necessary to write in 1933. Mr. Connell stated agents could forget the quota and premium volume if they correctly set number of lives required by taking the average size policy paid for in the last three years and perhaps reducing it somewhat in view of current conditions.

Mr. Connell said he has observed that in a given period if an agent will increase the number of lives sold, he will also increase the average size policy.

Daily Reports Are Made Under Six Headings

If an agent insured 25 lives in 1932 and a study reveals that he must insure a minimum of 40 this year to make the amount of money he requires, he should not feel satisfied that the same methods he employed last year will produce the greater volume this year.

Mr. Connell asked his agents at the first agency meeting in January to maintain a daily report for the month, showing by exact quarter hours of each business day how they spent the time. He

suggested that the men in the agency perhaps did not average a half hour each per week in the actual presence of a prospect discussing life insurance. A booklet was prepared in which to enter the data, various uses of the business time under six different heads being set down:

In office, subway and street, in prospect's office, actual time discussing new life insurance with prospects, at lunch, personal errands, general insurance and recreation.

There was 99 percent cooperation. The study showed 54.57 hours spent in office, 25.26 in subway and street, 32.82 in prospect's office, 16.15 discussing new life insurance, 14.26 at lunch and 17.79 personal errands.

Each Man in the Agency Makes Report Each Day

A week's work quota then was set, based on number of interviews, number of new prospects, number of calls necessary to get prescribed number of new prospects and interviews, and number of sales. Every man in the agency now has met the quota and reports daily, and every agent has committed himself to maintain the record for 12 months.

The number of new prospects reported in Mr. Connell's office by the

agents for four months this year was: February, 1,028; March, 1,086; April, 766, and May, 1,162.

Good Prospecting Data Is Uncovered in Survey

In analyzing 100 life insurance applications recently the Travelers found that 86 were for men and 14 women. The applicants represented 40 different occupations and positions, sixteen being salesmen, eight teachers and seven clerks. Housewives, manufacturers, physicians and students had five each.

Of the applicants, 61 percent were 35 years of age or younger; 20 percent, 25 or younger. The two oldest applicants were 49. Thirty seems to be the most popular age for applicants. Applications in excess of \$5,000 produced 60 percent of the total volume represented by 100 risks, the largest application being for \$65,000, second \$50,000, third \$18,000 and fourth \$15,000. Ordinary life was the most popular contract with 27 applications, while 20 payment life was second with 18. Eight applied for retirement income at 65 and six applied for 20 year endowment.

The conclusions drawn from the study were that the younger people are buying life insurance, women are very good prospects, regular policy forms are most popular and the public is not interested in the cheapest forms of insurance.

E. F. Bare, Jr., Cherokee, Ia., was elected president of the New England Mutual Life's Iowa agents in a convention at Clear Lake, Ia., last week.

Rules of 1907 Apply in 1933

That there is nothing new under the sun is testified to by the discovery by Manager H. A. Zischke of the Union Central in Chicago of a set of instructions to agents printed in the company's "Agency Bulletin" dated April 15, 1907, when the United States was facing economic problems much similar to those today. Manager Zischke finds that the rules sent out 25 years ago for the guidance of agents during the depression are generally recognized in 1933 as being the way to produce business.

Rule 1 in the bulletin of a quarter century ago was "Be cheerful." Rule 2 was "Be enthusiastic." Rule 3, "Appear prosperous."

Recommended Card System with Prospect Notations

The fourth admonition was to do work systematically, to have a card system with a separate card for each prospect and notations on results of all interviews, including all information that could be learned about the man. Prospects should be classified as immediate cases, those dated ahead, and vague cases, including those with whom the agent had not had a definite interview, but still hoped to stir up interest.

It was urged that agents make it a rule to have at least 150 prospect cards in file, to classify at least one-fifth as immediate, two-fifths as dated ahead and the balance vague, and until 150 names were secured to add at least ten new prospects a week.

"These prospects constitute your stock in trade as a merchant," the bulletin stated. "If you let your stock run down,

naturally your sales must decrease. If with your full stock business is slow, it will probably indicate that your stock is out of date. The natural remedy is a clearing out sale and laying in of new stock; that is, take a number of your prospects and either write them or 'kill' them and replace them with new ones."

Other Rules Found to Apply Equally Today

Rule 5 was "Don't talk insurance casually." Agents were advised unless they found a chance to do some business to talk anything else but insurance; never to attempt to sell a man unless they could get his full attention. They were urged to let their prospect do some of the talking; if possible to get him to ask questions. It was said that one statement in answer to his question would have more force than 40 statements made without any questions from him.

The final rule was "Know your prospect before you try to write him." Information should be secured on his family arrangements, his financial condition, capital, income, what insurance he carries, the companies, amount and plan of insurance.

The agent was advised to indicate to the prospect always that his selection of companies and plans was good; that he could not be expected to warm up to them if they make him look foolish. They were urged to find out something about his hobbies. "Try to know something about the things he is particularly interested in, so that you can talk with him on his subject as well as yours," the bulletin advised.

"Forgetting Man" Direct Mail Campaign Unusual

The Massachusetts Mutual has a new direct mail campaign which is so attention-arresting that no agent so far has reported failure to get in to see the prospect. The first mailing is a large sketch by Cartoonist Sykes of the Philadelphia "Public Ledger," depicting the "Forgetting Man," who is walking along a rocky path above a precipice, carrying a great load of bundles and boxes symbolic of man's responsibilities.

First Mailing Mysterious

There is nothing identifying the folder with life insurance but only the agent's name on a card. The prospect's curiosity invariably is aroused. Later mailings bear smaller reproductions of the cartoon, one pamphlet pointing out that it is too bad the prospect is not a turtle, which lives 200 years, and another pamphlet stating that an elephant never forgets.

The broadside tends to make prospects fall in four classes depending upon the reaction. It has been found that an individual's attention is caught by the bundle in the load whose label is significant to that person, and this serves to indicate needs. The agent on his first call determines what is the type and informs the home office so the succeeding material may be suitable. Agents are entitled to a maximum of ten names a week, being charged \$5 a month for the service.

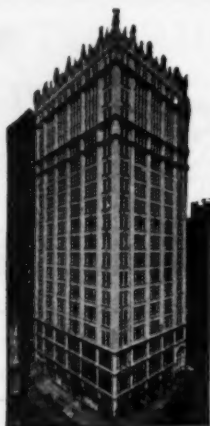
Diorama Display Method Is Used by Continental Group

The "diorama" method of presenting ideas, developed in many exhibits of the Century of Progress exposition in Chicago, is being employed by the Continental Assurance and Continental Casualty of that city to put over the idea of casualty and life insurance. The companies are installing displays of this type in the Michigan avenue ground floor show windows of the great luxurious rest room which recently was opened for the use of policyholders and insurance men from all over the country, visiting the fair.

Each occupies a separate window and is about 5½ feet wide and 34 inches high. Each display is a revolving stage in four sections. In one window is presented little scenes depicting holdup, automobile accident, residence burglary and personal accident insurance needs. In the other display devoted to life insurance the ideas of security for home and fireside, juvenile insurance, old age independence and protection for the full span of life from the first to the last day are presented.

Huge Rest Room Opened

The rest room is 45 by 110 feet, richly paneled in walnut with marble floor, Persian rugs, radio, grand piano and elaborately furnished. There is a nursing service, first aid, lounge quarters, reading section with daily papers and magazines, registration service, writing tables with special stationery commemorating the fair, telephones operating through the Continental exchange and free check room. Charles H. Jackson is in charge.



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Founder

E. S. Ashbrook
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Average Cost GUARANTEED
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All Premiums Returned
in addition to face of policy
in event death before age 60

**FULL FACE THEREAFTER
AND PREMIUM REDUCED 20%**

Example

Original cost, age 30, \$21.40 per
\$1,000 to age 59; \$17.19 per \$1,000
thereafter.

If you reside in Ohio, Illinois, Indiana,
Kentucky, Pennsylvania, Tennessee, West
Virginia or the District of Columbia,

Write for Samples and Particulars

This is one of the many unique contracts
issued by

Federal Union Life

FRANK M. PETERS, President
CINCINNATI, OHIO

Sales Executive Wanted

Southern life insurance
company with strong and
liquid financial structure will
consider application for posi-
tion of superintendent of
agencies. Good salary and
unusual opportunity. Address
X45, The National Under-
writer for confidential inter-
view.

Federal Specter Seen on Horizon

(CONTINUED FROM PAGE 1)

been inefficiency and favoritism. Nevertheless people feel that with their own state supervising insurance they receive more personal attention than they would if the entire show was being run from Washington.

MAGAZINE BRINGS CHARGES

Federal regulation of life companies, as a means of saving them and their policyholders from the machinations of the invisible government of the United States, is advocated in the July number of "Plain Talk," published in Washington, D. C. The article is by Kemper Yancey, for 20 years a general agent. "The present state of the life insurance business calls for federal regulation," the magazine says. "Companies are restricting payments to their policyholders, which is not living up to the contract made when the policy was sold. Arbitrary rulings of the state insurance laws are in many cases responsible for this, but the policyholders hold the companies to blame."

JAMES A. BEHA'S VIEW

BOSTON, June 15.—General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters, in his talk here before the New England Association of Insurance Agents, spoke about the national industrial recovery act and said that the bill as drafted seems to apply only to those enterprises "in or affecting interstate commerce." He said even if insurance is not drawn in to the act in any way, the law will be important as an expression of national policy which will be considered by state legislative and supervisory bodies in regulating insurance. Furthermore, he stated, that the principle of forcing cooperation between units in industry and trade will undoubtedly be a factor in influencing the noncooperating insurance companies in the direction of greater cooperation. He feels that the act will give an impetus to more careful regulation of insurance rates and practices. Insurance, he said, has been called the lubricant of other business. It must fit in smoothly with the new deal.

Mr. Beha said that the tendency toward better and more effective cooperation among casualty companies has been growing rapidly in recent years. There are many difficulties to be overcome but he opined that the national recovery act may prove to be the incentive needed for the accomplishment of the desired results.

General Johnson Tells About Insurance Setup

WASHINGTON, June 15.—Federal control of insurance under the industrial recovery act, is foreseen by Gen. H. S. Johnson, who will administer the new law. But no effort will be made to have the insurance business adopt a code of fair competition immediately, the first efforts of the industrial administration being devoted to bringing into line the half-dozen or so major industries. At the same time, if the insurance fraternity desires to get together and develop a code for approval by the government, it will not be discouraged by the control administration.

Every effort will be made to secure voluntary action by the various industries to form codes. They will not be compelled to do so, according to General Johnson, if they are operating satisfactorily to all concerned, but may be forced to organize and prepare a code if any complaint is filed by any member of the industry, representatives of its labor, or the public.

If insurance codes are adopted, the companies will be subject to the licens-

ing provisions of the industrial recovery bill. But it is not contemplated that licenses shall be required where all companies are cooperating satisfactorily. This is a weapon to be held over the heads of industries, to be invoked where all other measures fail to secure cooperation from all concerns. It is, according to General Johnson, comparable to penalties provided during the World War for use of the War Industries Board, which were invoked only twice.

Must Develop Codes

If insurance decides to come in under the act voluntarily, it will be necessary to develop codes through organizations representing an entire branch of the business. Following adoption of a code, a small committee would come to Washington to lay the matter before the control administration; that committee would be required to represent not only those companies approving the code, but also any members of the organization which do not approve it as well as any companies which might not be members of the organization. Thus, it is planned, an entire industry will be given opportunity to discuss a code before the administration, rather than a majority of the industry which might seek to control operations.

Secretary Bennett Has His Eyes and Ears Open

NEW YORK, June 15.—Secretary W. H. Bennett of the National Association of Insurance Agents in its house organ, the "American Agency Bulletin," writes under his own signature in commenting on the industrial act, saying it is natural that the question arises as to if and how the National Association of Insurance Agents can join in the vanguard and take advantage of the opportunity to bring the practices governing the production of insurance up to the highest standing. He said: "While it is generally assumed that insurance cannot come under the provision of federal legislation on account of the old decision of Paul vs. Virginia, which declared that insurance is not commerce, it is only case law and may be upset by act of Congress."

Conforms to Definition

He declares that his organization conforms to the definition of a trade association as formulated by the American Trade Association executives and adopted by the Department of Commerce, it being, "A trade association is an organization of producers or distributors of a commodity or service upon a mutual basis for the purpose of promoting the business of its branch of industry or commerce and improving its service to the public."

Furthermore, Mr. Bennett said: "There is a natural hesitancy about inviting any form of governmental regulation of the insurance business. There remains the possibility that without any invitation governmental arms will reach out to it. For this reason it seems to me that we can be prepared for such an eventuality. The National association may be called upon to become a part of the machinery through which insurance regulation will be undertaken."

Lincoln National Convention

Preliminary plans for the 1933 sales convention of the Lincoln National Life have been announced. The meeting will be held July 10-12 at the Edgewater Beach Hotel in Chicago. This year, because of the World's Fair, regional meetings will not be held. Men who have qualified will be brought from every point in the territory to Chicago.

As a special feature at the close of the three day meeting representatives who have not before visited the home office in Fort Wayne will be taken on a special side trip and given an opportunity to inspect the building and offices.

IN THE COURT OF APPEALS OF FRANKLIN COUNTY, OHIO. State of Ohio, ex rel. John W. Bricker, Attorney General, Plaintiff, vs. American Insurance Union, Defendant, No. 2326.

NOTICE OF APPOINTMENT. Notice is hereby given that by order of the Court of Appeals of Franklin County, Ohio, entered on the 3rd day of May, 1933, Charles T. Warner, as Superintendent of Insurance of the State of Ohio, and Hugh M. Bennett, of Columbus, Ohio, were appointed Co-Receivers for the American Insurance Union, a Fraternal Benefit Society, organized under the laws of the State of Ohio, with instructions to possess themselves forthwith of the books, papers, monies and other assets of this Society, and under the direction of said Court to proceed to rehabilitate or close the affairs of this Society and to distribute its funds to those entitled thereto. The Court further ordered at that time that the Society was enjoined from carrying on any further business.

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OVERLOOKING SAN FRANCISCO

four minutes from
Shops and Theatres
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Designed to put a new man into production upon a service basis at end of three days. Price \$3.00 cash with order. Full refund if complete plans are followed and you are not satisfied.

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"Selling the Salary Insurance Plan," by Richard L. Place, shows the possibilities of quantity production of life insurance by the salary deduction plan. Price, \$2. Order from the National Underwriter.